

EXHIBIT A

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

-----X
REGGIE WHITE, et al., :
 :
 :
 Plaintiffs, : Civil Action
 : No. 4-92-906
 :
 v. :
 :
 NATIONAL FOOTBALL LEAGUE, et al., :
 :
 :
 Defendants. :
 :
 :
-----X

STIPULATION AND SETTLEMENT AGREEMENT, originally made and entered into the 26th day of February, 1993, and as amended March 8, 2006, by and between Plaintiffs, on behalf of themselves and all other Class Members, as defined below, on the one hand, and the National Football League (the "NFL"), on behalf of itself and its member clubs, described below, on the other hand.

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ARTICLE I

DEFINITIONS

As used in this Stipulation and Settlement Agreement, and for no other purpose, the following terms shall have the following meanings:

General Definitions:

- (a) "Action" means the consolidated class actions filed in the United States District Court for the District of Minnesota, captioned as above.
- (b) "Agreement," "Settlement Agreement," or "SSA" means this Stipulation and Settlement Agreement, as amended March 8, 2006.
- (c) "Class Counsel" means the law firms of Dewey Ballantine LLP, 1301 Avenue of the Americas, New York, New York 10019, Weil Gotshal & Manges, 767 Fifth Avenue, New York, New York 10153, and Lindquist & Vennum, 4200 IDS Center, Minneapolis, Minnesota 55402.
- (d) "Class Members" means (1) all players who have been, are now, or will be under contract to play professional football for an NFL Club at any time from August 31, 1987 to the date of Final Judgment in this Action and determination of any appeal therefrom and (2) all college and other football players who, as of August 31, 1987 to the date of Final Judgment in this Action and determination of any appeal therefrom, have been, are now, or will be eligible to play football as a Rookie for an NFL Club.
- (e) "Club" or "Team" or "Member," used interchangeably herein, means any entity that is a member of the NFL or operates a franchise in the NFL at any time during the term of this Agreement.

(f) "Club Affiliate" or "Team Affiliate" means any entity or person owned by (wholly or partly), controlled by, affiliated with, or related to a Club or any owner of a Club.

(g) "Collective Bargaining Agreement" or "CBA" means any collective bargaining agreement that exists or may exist in the future between the NFL and its Clubs with any Players Union, and any amendments thereto. As of the date of this Agreement, this term refers to the collective bargaining agreement between the NFLPA and the NFLMC effective March 8, 2006.

(h) "Commissioner" means the Commissioner of the NFL.

(i) "Court Approval" means the entry of the Final Consent Judgment by the trial court in this Action, in a form agreed upon by the parties and acceptable to the Court, approving this Agreement in accordance with the procedures of Rule 23 of the Federal Rules of Civil Procedure.

(j) "Complaint" means the class action complaint filed in the Action, as amended, on February 12, 1993.

(k) "Defendants" means the NFL, its member clubs, and the entities named in the Complaint, all predecessors to such entities from September 1, 1987 to the present, all successors to such entities during the term of this Agreement, and all new NFL Clubs that come into existence during the term of this Agreement.

(l) "Impartial Arbitrator" means the person authorized by this Agreement to hear and resolve specified disputes as provided herein.

- (m) "League Year" means the period from March 1 of one year through and including the last day of February of the following year, or such other one year period to which the NFL and the Players Union may agree.
- (n) "NFL Player Contract" means the form of Player Contract utilized in the NFL.
- (o) "NFLMC" or "Management Council" or "NFL Management Council" means the National Football League Management Council.
- (p) "NFL Rules" means the Constitution and By-Laws, rules, and regulations of the NFL and/or the Management Council.
- (q) "Plaintiffs" or "Class Representatives" means Reggie White, Michael Buck, Vann McElroy, Hardy Nickerson, Albert Lewis, Wayne Radloff, and David Duerson, individually and as representatives of the Class Members.
- (r) "Player Affiliate" means any entity or person owned by (wholly or partly), controlled by, affiliated with, or related to a player.
- (s) "Players Association" or "NFLPA" means the National Football League Players Association, its officers, directors, agents acting on its behalf, and employees.
- (t) "Players Union" means any labor organization that may be selected by a majority of the NFL players and recognized by the NFL and its member clubs as the exclusive collective bargaining representative of all present and future NFL players.
- (u) "Related Litigation" means the litigations specified in Appendix A hereto.
- (v) "Salary" means any compensation of money, property, investments, loans, or anything else of value that a Club pays to, or is obligated to pay to, a player or Player Affiliate, or is paid to a third party at the request of and for the benefit of a player or

Player Affiliate, during a League Year, as calculated in accordance with the rules set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary).

(w) “Special Master” means the special master appointed and authorized by this Agreement to hear and resolve specified disputes as provided herein.

Free Agency Definitions:

(x) “Accrued Season” means any playing season for which a player received credit with respect to his qualifications for Unrestricted Free Agency or Restricted Free Agency, as described in Article VII (Veteran Free Agency).

(y) “Compensatory Draft Selection” means an additional Draft choice awarded to a Club as described in Article VII (Veteran Free Agency) and Article VIII (Franchise and Transition Players).

(z) “Draft” or “College Draft” means the NFL’s annual draft of Rookie football players as described in Article IV (College Draft).

(aa) “Draft Choice Compensation” means the right of any Club, as described in Article VII (Veteran Free Agency) and Article VIII (Franchise and Transition Players), to receive draft pick(s) from any other Club.

(aa) “Drafted Rookie” means a person who is selected in the current League Year’s Draft or whose Draft rights are held, or continue to be held, consistent with this Agreement, by an NFL Club that selected the Rookie in a prior Draft.

(ab) “Final Eight Plan” means the rules whereby signings of Unrestricted Free Agents are limited in Uncapped Years for the final eight playoff Clubs, under the limited circumstances described in Article IX (Final Eight Plan).

(ac) “Free Agent” means a player who is not under contract and is free to negotiate and sign a Player Contract with any NFL Club, without Draft Choice Compensation or any Right of First Refusal.

(ad) “Minimum Salary” means the minimum annual Paragraph 5 Salary which shall be paid to an NFL player not on any Active list, and not on the Inactive list, pursuant to this Agreement.

(ae) “Minimum Active/Inactive List Salary” means the minimum annual Paragraph 5 Salary which shall be paid to an NFL player on any Active list, or on the Inactive list, pursuant to this Agreement.

(af) “Negotiate” means, with respect to a player or his representatives on the one hand, and an NFL Club or its representatives on the other hand, to engage in any written or oral communication relating to efforts to reach agreement on employment and/or terms of employment between such player and such Club.

(ag) “New Club” means any Club except the Prior Club (as defined below).

(ah) “Player Contract” means a written agreement or series of such agreements executed at or about the same time between a person and an NFL Club pursuant to which such person is employed by such Club as a professional football player.

(ai) “Prior Club” means the Club that contracted with or otherwise held the NFL playing rights for the player for the previous NFL League Year.

(aj) “Prior Year Salary” means the total of the Paragraph 5 Salary, roster and reporting bonuses, pro-rata portion of signing bonus, and other payments to a player in compensation for the playing of professional football for the last League Year of the player’s most recently negotiated Player Contract, except for performance bonuses other

than roster and reporting bonuses. Prior Year Salary shall also include any unrepaid loans made, guaranteed or collateralized by a Team or its Team Affiliate to a player or Player Affiliate.

(ak) "Renegotiate" means any change in Salary or the terms under which such Salary is earned or paid, or any change regarding the Club's right to trade the player, during the term of a Player Contract.

(al) "Required Tender" means a Player Contract tender that a Club is required to make to a player pursuant to this Agreement, either as a matter of right with respect to the player, or to receive Rights of First Refusal, Draft Choice Compensation and/or other rights with respect to the player, as specified in this Agreement.

(am) "Restricted Free Agent" means a Veteran who has three or more Accrued Seasons and who completes performance of his Player Contract, but who is still subject to a Right of First Refusal and/or Draft Choice Compensation in favor of his Prior Club.

(an) "Right of First Refusal" means the right of an NFL Club, as described in Article VII (Veteran Free Agency) and Article VIII (Franchise and Transition Players) to retain the services of certain Veteran players by matching offers made to those players.

(ao) "Rookie" means a person who has never signed a Player Contract with an NFL Club.

(ap) "Undrafted Rookie" means a Rookie who was eligible for but not selected in a College Draft.

(aq) "Unrestricted Free Agent" means a Veteran who completes performance of his Player Contract, and who is no longer subject to any exclusive negotiating rights, Right of First Refusal, or Draft Choice Compensation in favor of his Prior Club.

(ar) “Veteran” means a player who has signed at least one Player Contract with an NFL Club.

Salary Cap Definitions:

(as) “Benefits” or “Player Benefit Costs” means the specific benefits paid to players set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary).

(at) “Capped Year” means any League Year for which a Salary Cap is in effect.

(au) “Guaranteed League-wide Salary” means the minimum amount that the Teams in the NFL must pay in Player Costs during a League Year, if applicable, as set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary).

(av) “Minimum Team Salary” means the minimum amount that each Team must pay in Salaries during a League Year, if applicable, as set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary), Section 5.

(aw) “Paragraph 5 Salary” means the compensation set forth in paragraph 5 of the NFL Player Contract, or in any amendments thereto.

(ax) . “Player Costs” means the total Salaries and Benefits attributable to a League Year for all NFL Teams under all of the rules set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary), but not including loans, loan guarantees, unpaid grievances attributions, and unearned incentives.

(ay) “Projected Benefits” means the amount of Benefits projected in accordance with the rules set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary).

(az) “Projected Total Revenues” means the amount of Total Revenues projected in accordance with the rules set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary).

(ba) “Room” means the extent to which a Team’s then-current Team Salary is less than either the Salary Cap or Entering Player Pool, as applicable.

(bb) “Salary Cap” means the absolute maximum amount of Salary that each Club may pay or be obligated to pay or provide to players or Player Affiliates, or may pay or be obligated to pay to third parties at the request of and for the benefit of Players or Player Affiliates, at any time during a particular League Year, in accordance with the rules set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary), if applicable.

(bc) “Team Salary” means the Team’s aggregate Salary for Salary Cap purposes, as calculated in accordance with the rules set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary).

(bd) “Total Revenues” or “TR” means all of the League and Team revenues that are included within the definition of Total Revenues, as set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary).

(be) “Uncapped Year” means any League Year for which a Salary Cap is not in effect.

Further Definitions:

(bf) “Final League Year” means the League Year which is scheduled prior to its commencement to be the final League Year of this Agreement. As of the date hereof, the Final League Year is the 2012 League Year. The Final League Year shall always be an Uncapped Year.

(bg) “Final Capped Year” means the League Year immediately prior to the Final League Year. The Final Capped Year shall be Capped unless the Salary Cap is removed pursuant to Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary), Section 2(b).

ARTICLE II
RECITALS

WHEREAS, on February 26, 1993, the parties reached agreement on a Stipulation and Settlement Agreement to settle this action, and submitted that agreement to the Court for review and approval pursuant to Rule 23 of the Federal Rules of Civil Procedure;

WHEREAS, on April 30, 1993, after conducting hearings on the proposed Stipulation and Settlement Agreement, this Court approved that Agreement as “fair, reasonable and adequate to the class,” and entered certain findings concerning the lawful formation of the NFLPA as the exclusive collective bargaining representative of NFL, and the authority of the NFLPA to enter into a new collective bargaining agreement with the NFL and its Clubs;

WHEREAS, on May 6, 1993, the NFLPA entered into a new collective bargaining agreement with the NFL and its Clubs;

WHEREAS, on August 19, 1993, after conducting hearings on the proposed amendments, the Court granted Court Approval to that Settlement Agreement, as amended May 6, 1993;

WHEREAS, in 1996, 1999, and 2002, the parties agreed to certain amendments to the Settlement Agreement, as to all of which the Court granted approval without in any way affecting the finality of the Final Consent Judgment;

WHEREAS, on March 8, 2006, Class Counsel and the NFL Defendants bargained in good faith and agreed upon a Term Sheet to further amend the Settlement Agreement;

WHEREAS, on March 9, 2006, Class Counsel and the NFL Defendants submitted the Term Sheet to the Court for preliminary approval, which approval was granted telephonically on March 10, 2006, and by formal order on April 3, 2006;

WHEREAS, on July 25, 2006, the Court conducted a hearing as to the proposed amendments, at which hearing the parties advised the Court that the parties would shortly submit to the Court a revised Settlement Agreement incorporating all amendments;

WHEREAS, this Settlement Agreement constitutes that amended text;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS OF THE RESPECTIVE PARTIES HERETO AND THE TERMS AND CONDITIONS OF THIS AGREEMENT SET FORTH HEREIN, IT IS HEREBY STIPULATED AND AGREED, subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, as follows:

ARTICLE III
PRELIMINARY MATTERS

Section 1. This Agreement shall be observed by and be binding upon the Defendants, Plaintiffs, Class Members and the Players Association from and after the date hereof, except as otherwise ordered by the Court.

Section 2. This Agreement is not, and shall not in any event, be construed as or deemed to be an admission or concession by the Plaintiffs, the Class Members, the Defendants, or the Players Association of the truth of any act alleged, or the validity of any claim or defense asserted in this Action; nor is this Agreement a concession or an admission of any fault on the part of the Plaintiffs, the Class Members, the Defendants or the Players Association; nor is it a concession or an admission on the part of the Plaintiffs, the Class Members, the Defendants, or the Players Association that any of the terms of this Agreement, any Player Contract, or any practice or course of dealing thereunder, are or are not reasonable restraints of trade within the meaning of the federal antitrust laws; nor shall this Agreement be construed by anyone for any purpose whatsoever as an admission, concession or presumption of any wrongdoing on the part of the Plaintiffs, the Class Members, the Defendants, or the Players Association.

Section 3. [Omitted]

Section 4. Nothing in this Agreement limits any authority the Commissioner otherwise may have regarding conduct detrimental to the integrity of, or public confidence in, the

game of professional football, so long as any such authority is not exercised to conflict with any specific provisions in this Agreement.

Sections 5-6. [Omitted]

ARTICLE IV
COLLEGE DRAFT

Section 1. Time of Draft: There shall be an Annual Selection Meeting (the “College Draft” or “Draft”) each League Year during the term of this Agreement and in the League Year immediately following the expiration or termination of this Agreement, with respect to which the following rules shall apply:

Section 2. Number of Choices and Eligibility:

(a) The Draft shall consist of seven rounds, with each round consisting of the same number of selection choices as there will be Clubs in the NFL the following League Year, plus a maximum number of additional Compensatory Draft Selections equal to the number of Clubs then in the League, with such Compensatory Draft Selections reserved for Clubs losing certain Unrestricted Free Agents. Each Draft shall be held between February 14 and May 2, on a date which shall be determined by the Commissioner.

(b) No player shall be permitted to apply for special eligibility for selection in the Draft, or otherwise be eligible for the Draft, until three NFL regular seasons have begun and ended following either his graduation from high school or graduation of the class with which he entered high school, whichever is earlier. For example, if a player graduated from high school in December 2006, he would not be permitted to apply for special eligibility, and would not otherwise be eligible for selection, until the 2010 Draft.

(c) If a player who was not eligible for the Draft in any League Year becomes eligible after the date of the Draft, he will be eligible to be selected in a supplemental Draft, if the League elects to conduct such a Draft, on or before the seventh calendar day prior to the opening of the first training camp that League Year. No player may elect to

bypass a Draft for which he is eligible to apply for selection in a supplemental Draft. Any Club that selects a player in a supplemental Draft must forfeit a choice in the same round in the next succeeding principal Draft.

(d) No player shall be eligible to be employed by an NFL Club until he has been eligible for selection in an NFL Draft.

Section 3. Required Tender: A Club that drafts a player shall be deemed to have automatically tendered the player a one year NFL Player Contract for the Minimum Active/Inactive List Salary then applicable to the player pursuant to the terms of this Agreement. The NFL or the Club shall provide the player with notice of such Required Tender before or immediately following the Draft.

Section 4. Signing of Drafted Rookies:

(a) A drafted player may accept the Required Tender at any time up to and including the Tuesday following the tenth week of the regular season immediately following the Draft, at 4:00 p.m. New York time. In the event the exclusive negotiating rights to the drafted player are assigned to another Club through the NFL waiver system, the acquiring Club must immediately extend the Required Tender following assignment. If released through waivers, the player shall be treated as an Undrafted Rookie Free Agent, with the right to sign an NFL Player Contract with any Club. If the Club that drafted the player signs the player after he is waived and becomes a Rookie Free Agent, the player's entire salary shall be counted against the Entering Player Pool, in the manner described in Article V (Entering Player Pool).

(b) If a Drafted Rookie has not signed a Player Contract during the period from the date of such Draft to the thirtieth day prior to the first Sunday of the regular season: (i) the Club that drafted the player may not thereafter trade to another Club either its exclusive negotiating rights to such player or any Player Contract that it signs with such player for the player's initial League Year; and (ii) the Club that drafted the player is the only Club with which the player may sign a Player Contract until the day of the Draft in the subsequent League Year, at which time such player is eligible to be drafted in the subsequent League Year's Draft by any Club except the Club that drafted him in the initial Draft. (After the Tuesday following the tenth week of the regular season, the player and the Club may only sign a Player Contract for future League Year(s)).

(c) If a Drafted Rookie has not signed a Player Contract by the Tuesday following the tenth week of the regular season, at 4:00 p.m. New York time, the player shall be prohibited from playing football in the NFL for the remainder of that League Year, absent a showing to the Impartial Arbitrator of extreme Club or extreme personal hardship. The determination of the Impartial Arbitrator shall be made within five days of the application, and shall be based upon all information relating to such hardship submitted by such date. The determination of the Impartial Arbitrator shall be final and binding upon all parties.

Section 5. Other Professional Teams:

(a) Notwithstanding Section 4(b) above, if a player is drafted by a Club and, during the period between the Draft and the next annual Draft, signs a contract with, plays for or is employed by a professional football team not in the NFL during all or any

part of the 12 month period following the initial Draft, then the drafting Club (or any assignee Club) shall retain the exclusive NFL rights to negotiate for and sign a contract with the player until the day of the Draft three League Years after the initial Draft, and shall thereafter have a Right of First Refusal as described herein, and the player may receive offers from any Club at any time thereafter. The player shall notify any Players Union and the NFL of his desire to sign a contract with an NFL Club, and of the date on which the player will be free of his other contractual obligations of employment, if any. Within thirty days of receipt of such notice by the NFL or the date of the availability of such player, whichever is later, the NFL Club that drafted the player must tender a one year written Player Contract to the player in order to retain its rights to that player, as detailed below.

(b) For a player to whom the drafting Club retains the exclusive NFL rights to negotiate pursuant to Section 4(a) above, the Club must tender a one year Player Contract with salary of at least the Minimum Active/Inactive List Salary for players with less than one credited season, as defined in Article VIII-A (Salaries), within the thirty day period specified in Subsection (a) above. The amount of such tender and/or any Player Contract entered into with the player shall be subject to the Entering Player Pool, as set forth in Article V (Entering Player Pool). If the player is released through waivers, the player immediately becomes a Free Agent, with the right to sign an NFL Player Contract with any Club, and any Club is then free to negotiate for and sign a Player Contract with such player, without any Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

(c) For players with respect to whom the drafting Club retains a Right of First Refusal pursuant to this Section 5, during each League Year the player shall be treated as if he were a Restricted Free Agent not subject to Draft Choice Compensation, as described in Article VII (Veteran Free Agency), Section 2, except as otherwise set forth in this Section 5. For such players subject to a Right of First Refusal, the Club must tender a one year Player Contract with at least the Minimum Active/Inactive List Salary for players with two or more Credited Seasons, as defined in Article VIII-A (Salaries), within the thirty day period specified in Subsection (a) above. The amount of such tender and/or any Player Contract entered into with the player shall not be subject to the Entering Player Pool. If the Club does not make or withdraws the Required Tender, the player immediately becomes a Rookie Free Agent, with the right to negotiate and sign a Player Contract with any Club, and any Club is then free to negotiate for and sign a Player Contract with such player, without any Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

Section 6. Return to College: If any college football player who becomes eligible for the Draft prior to exhausting his college football eligibility through participation is drafted by an NFL Club, and returns to college, the drafting Club's exclusive right to negotiate and sign a Player Contract with such player shall continue through the date of the Draft that follows the last season in which the player was eligible to participate in college football, and thereafter the player shall be treated and the Club shall have such exclusive rights as if he were drafted in such Draft by such Club (or assignee Club).

Section 7. Assignment of Draft Rights: In the event that the exclusive right to negotiate for a Drafted Rookie under Sections 4, 5 or 6 above is assigned from one Club to another Club, the Club to which such right has been assigned shall have the same, but no greater, right to such player, including the Right of First Refusal described in Section 5, as would the Club assigning such right, and such player shall have the same, but no greater, obligation to the NFL Club to which such right has been assigned as he had to the Club assigning such right.

Section 8. Subsequent Draft: A Club that, in a subsequent Draft, drafts a player who (a) was selected in an initial Draft, and (b) did not sign a contract with the NFL Club that drafted him or with any assignee Club during the signing period set forth in Sections 4 through 6 above, shall, during the period from the date of the subsequent Draft to the date of the Draft held the subsequent League Year, be the only NFL Club that may negotiate with or sign a Player Contract with such player. If such player has not signed a Player Contract within the period beginning on the date of the subsequent Draft and ending on the thirtieth day prior to the beginning of the regular season, the Club loses all rights to trade its exclusive negotiating rights to such player or any Player Contract that it signs with such player for the player's initial League Year. After the Tuesday following the tenth week of the regular season, the player and the Club may only sign a Player Contract for future League Year(s), except as provided in Section 4(c) above. If the player has not signed a Player Contract by the day of the next annual College Draft following the subsequent Draft, the player immediately becomes a Rookie Free Agent, with the right to negotiate and sign a Player Contract with any Club, and any Club is then free to negotiate

for and sign a Player Contract with such player, without any Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

Section 9. No Subsequent Draft: If a player is drafted by a Club in an initial Draft and (a) does not sign a contract with a Club during the signing period set forth in Sections 4 through 6 above, and (b) is not drafted by any Club in the subsequent Draft, the player immediately becomes an Undrafted Rookie, with the right to negotiate and sign a Player Contract with any Club, and any Club is then free to negotiate for and sign a Player Contract with such player, without any Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

Section 10. Compensatory Draft Selections: The rules and procedures regarding Compensatory Draft Selections set forth in Section 2 above shall be as agreed upon by the NFL, Class Counsel and any Players Union.

Section 11. Undrafted Rookies: Any person who has not been selected by a Club in a College Draft shall be free, after the completion of a College Draft for which he is eligible, to negotiate and sign a Player Contract with any Club, and any Club shall be completely free to negotiate and sign a Player Contract with any such person after such date, without any penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs or First Refusal Rights of any kind.

Section 12. Notice of Signing: Promptly following but no later than two business days after receipt of notice of the signing of any Drafted or Undrafted Rookie, the NFL shall notify Class Counsel or any Players Union of such signing.

Section 13. Additional Compensatory Picks: The Clubs may decide the selection position for expansion teams in the College Draft, and may allocate to each expansion Club additional special draft selections in the drafts held prior to each of the first three seasons in which the expansion Clubs will participate in regular League play, up to a maximum of one additional such special draft selection for each expansion Club in each round of the draft in each such year.

Section 14. Entering Player Pool Adjustment: The Entering Player Pool, and the Rookie Allocation for each expansion team, will be adjusted to account for draft selections awarded to expansion teams pursuant to Section 13 above.

ARTICLE V
ENTERING PLAYER POOL

Section 1. Definition: For purposes of this Article V of this Agreement, the following terms shall have the meanings set forth below:

(a) “Entering Player Pool” means the League-wide limit on the total amount of Salary to which all of the NFL Clubs may contract for in signing Drafted Rookies (and certain amounts contracted to be paid to Undrafted Rookies as described below) during each League Year of this Agreement, as set forth below.

(b) Salary shall be defined and calculated in the same manner as set forth in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary). In the event a Rookie who is subject to the Entering Player Pool signs a Player Contract after the commencement of the regular season, the Club must have Room under its Rookie Allocation for the entire Paragraph 5 amount of the contract.

Section 2. Covered League Years: The Entering Player Pool will be in effect in all League Years, except as set forth below. The NFL may remove the Entering Player Pool at its option in any Uncapped Year, by notice to Class Counsel and any Players Union at least 60 days prior to the scheduled date of the Draft that League Year. Further, in any Capped Year, the NFL may remove the Pool, by notice to Class Counsel and any Players Union at least 60 days prior to the scheduled date of the Draft that League Year, but to the extent that any Club spends more than its Rookie Allocation in that League Year, the Club will pay an equivalent number of dollars to its Veteran players pursuant to reasonable allocation instructions by Class Counsel and any Players Union.

Section 3. Calculation:

(a) The Entering Player Pool shall consist on a League-wide basis of the amount of the Entering Player Pool for the immediately preceding League Year (excluding any formula allotments attributable to any Compensatory Draft Selections), increased by the same percentage as the increase in Projected TR for that League Year over the prior year's TR (as defined in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary)), up to a maximum of five percent (5%) per season, but shall not in any event decrease in actual amount from League Year to League Year. Notwithstanding the foregoing, to the extent there are Compensatory Draft Selections as a result of Article IV (College Draft), Section 2 and/or Article VIII (Franchise and Transition Players), Section 15, the Entering Player Pool shall be increased in accordance with Subsection (c) below and as otherwise agreed upon by the NFL and Class Counsel and any Players Union.

(b) For each League Year of this Agreement, each Club shall have a Rookie Allocation, which shall be its proportional share of the Entering Player Pool, calculated based on the number, round, and position of the Club's selection choices in the Draft. The Rookie Allocation formula shall be agreed upon by the NFL and Class Counsel and any Players Union and shall remain in effect for the duration of the Agreement, unless the NFL and Class Counsel and any Players Union otherwise agree.

(c) If, pursuant to Article IV (College Draft), Section 2 and/or Article VIII (Franchise and Transition Players), Section 15, a Club has one or more Compensatory Draft Selections, an amount shall be added to that Club's Rookie Allocation, and to the Entering Player Pool (notwithstanding Subsection (b) above), based upon the amount

allotted to selection choices of that round and position in calculating the Rookie Allocation (the "Formula Allotment"). In the event that a Club signs a Player Contract with a Drafted Rookie who was drafted in a prior League Year, an additional amount shall be added to that Club's Rookie Allocation, and to the Entering Player Pool (notwithstanding Subsection (b) above), equal to the lower of the Club's original Formula Allotment for such draft choice or the amount of unused Room under the Club's Rookie Allocation during the League Year in which the player was originally drafted.

(d) Notwithstanding the above, nothing shall prevent the Club from signing a player for an amount in excess of the player's Formula Allotment, if the Club has Room available under its Rookie Allocation.

(e) In the event that the NFL holds a supplemental draft in addition to its annual Draft in advance of the next League Year's Draft, adjustments shall be made to the Entering Player Pool and Rookie Allocation in a manner to be agreed upon by the NFL and Class Counsel and any Players Union.

(f) In any League Year in which one or more expansion Teams enter the League, the amount of the Entering Player Pool shall be increased to account for the draft selections of any such expansion Teams.

(g) In the event the NFL holds a supplemental draft in addition to its annual College Draft in advance of the following League Year's College Draft, there shall be added to each selecting Club's Rookie Allocation, and (cumulatively, if more than one selecting Club) to the Entering Player Pool for that League Year, an amount equal to the Formula Allotment for the corresponding choice(s) in that League Year's College Draft. In the subsequent League Year, after Formula Allotments have been established for each

selection position in the College Draft, the amount of the Formula Allotment(s) for the selections used in the prior year's supplemental draft shall be deducted from the Club's Rookie Allocation. See Section 3(e) above. For example: If Team A selects a player in a supplemental draft with the first choice in the third round, Team A's Rookie Allocation for that League Year shall be increased by an amount equal to the Formula Allotment for the first choice in the third round of that year's College Draft. An amount equal to the Formula Allotment for the first choice in the third round of the prior League Year's Draft shall be eliminated from the subsequent League Year's Entering Player Pool, in that Club's Rookie Allocation, but all other Rookie Allocations remain the same.

Section 4. Operation:

(a) No Club may enter into Player Contracts with Drafted Rookies that, standing alone or in the aggregate, provide for Salaries in the first League Year of such Player contracts that would exceed the Club's Rookie Allocation for that year.

(b) For the purposes of this Article V, the Salary of any Undrafted Rookie shall count toward the Club's Rookie Allocation only to the extent that it exceeds the then applicable Minimum Active/Inactive List Salary for that player.

(c) In the event that a Draft selection is assigned to another Club prior to completion of the Draft, the amount of the Formula Allotment for such selection shall be assigned to the Club receiving the selection under the assignment. A Club may not assign the exclusive negotiating rights to a Drafted Player to another Club if such New Club does not have Room under its Rookie Allocation equal to at least the original Formula Allotment for the player, unless the player consents to such assignment.

(d)(i) If a Drafted Player is placed on waivers, the player's Formula Allotment remains with the Club that requested waivers on him, and the assignee Club must have Room or make Room under its Rookie Allocation to make the Required Tender to the player.

(ii) If a Club requests waivers on a Drafted Rookie and that player is released via waivers, the requesting Club can sign that player to a Player Contract during that League Year only if the Club has Room under its Rookie Allocation equal to the full Salary contracted for in that League Year.

(e) No Player Contract signed by a Rookie may provide for an annual increase in Salary of more than twenty-five percent (25%) of the contract's first League Year Salary, unless such Player Contract provides for Salary which is equal to the then applicable Minimum Salary for each League Year of the contract. For the purposes of the calculation in this section only, any amount of a signing bonus attributed to the player's Salary shall not be counted.

(f) If a Rookie contracts with a Club for the minimum workout payments set forth in Article XXXV of the Collective Bargaining Agreement, for his second or subsequent season, such payments shall not be included for purposes of the 25% Rule for Rookies set forth above. If a Rookie contracts with a Club for a workout payment in excess of the minimum, such excess amount shall be included for the purposes of the 25% Rule for Rookies set forth above. In all cases, a workout payment shall count toward Team Salary and a Team's Rookie Allocation.

(g) Any amount which a Club may pay to a player to buy out a right the player has or may have to terminate one or more contract years shall be treated as a signing bonus at the time the buyout is exercised by the Club, and prorated at that time over the remaining term of the contract, including the current League Year, if the right to terminate and/or the right to buyout is based upon one or more incentives that are not “likely to be earned.” Such a buyout amount shall not be included in any calculation for purposes of the 25% Rule for Rookies set forth above. (The parties acknowledge that they disagree as to the treatment of allocated signing bonus and buyout payments when a player’s right to terminate one or more contract years and/or the Club’s right to buyout is based upon one or more incentives that are “likely to be earned,” and not upon any incentives that are not “likely to be earned.” These issues are expressly left open. Except to enforce the terms of this Subsection (g), the terms of this Subsection may not be referred to or used by any of the parties in any proceeding, or otherwise, and the parties otherwise reserve all their rights with respect to the subject of this parenthetical).

(h) Any amount specified to be paid for the exercise of an option by a Club to extend the term of a Player Contract shall be treated as signing bonus, prorated over the remaining term of the contract commencing in the League Year in which it is exercised or the last League Year in which the option may be exercised, whichever comes first. Such an option amount shall, immediately upon execution of the contract, renegotiation or extension, be included in any calculation for purposes of the 25% Rule for Rookies set forth above, prorated over the remaining term of the contract commencing in the last League Year in which the option may be exercised. Notwithstanding the foregoing: (i) if a Club renounces its right to exercise the option, the option amount shall not be included

in Team Salary as of the date of such renunciation; and (ii) if the club does not renounce, but nonetheless does not exercise the option, the full amount of the option amount previously counted against Team Salary shall be credited to the Club's Salary Cap in the next League Year.

(i) The Player Contract of a Rookie may not be renegotiated until after his Club's final game of the second NFL season following the signing of such Player Contract.

(j) Nothing in this Agreement is intended to or shall be construed to mean that any Rookie's Salary is predetermined by any Allocation or Formula Allotment.

(k) The list of each Formula Allotment attributed to each draft selection shall be agreed to by the NFL and Class Counsel and any Players Union, and shall not be disclosed to Clubs, Players, Player Agents or the public.

(l) For purposes of the Entering Player Pool and a Team's Rookie Allocation, amounts contracted to be paid to Drafted Rookies, and amounts in excess of the applicable Minimum Active/Inactive List Salary contracted to be paid to Undrafted Rookies pursuant to Subsection 4(b) above, shall be counted against the Entering Player Pool and a Team's Rookie Allocation, whether or not the amounts are actually paid, in the manner otherwise specified in the CBA.

(m) In League Years for which no Salary Cap is in effect, 85% of any amount contracted by a Team to be paid from the Team's Rookie Allocation to a Rookie, but not actually paid by the Team to that player, either as a rookie, or as a re-signed first year player or practice squad player, which amount was not paid because that player was

released, will be distributed to all rookies on such Team promptly after the end of the season on a pro rata basis based upon the number of downs played.

(n) If a Club has a Rookie Orientation Program apart from its allowable minicamp(s) and prior to its training camp, the following categories of per player reimbursements or payments will not be counted against the Entering Player Pool: (1) One Round Trip Airline Ticket or its cash equivalent from the player's place of residence to the Club city and back, not to exceed \$1,250 for the 2006-09 League Years and \$1,500 for the 2009-12 League Years; (2) Room and Board or its equivalent of up to \$110 per day for the 2006 League Year, \$120 per day for the 2007-08 League Years, \$130 per day for the 2009-10 League Years and the 2011 League Year if it is an Uncapped Year, and \$145 per day for the 2011 League Year if it is a Capped Year and the 2012 League Year, up to a maximum of sixty (60) days; and (3) ground transportation to and from the player's place of residence in the Club's city to the Club's facility. Any amounts in excess of the above reimbursements or payments will count against the Entering Player Pool. Costs associated with the Rookie Orientation Programs will be evaluated by the parties each year to determine if adjustment, with respect to the Entering Player Pool, is appropriate.

Section 5. Rookie Player Contract Length: The initial Player Contract of a Rookie, including any Club option, may not exceed four (4) years in length, except that the initial Player Contract of a Rookie drafted with a selection in the first half of the first round (e.g., the first sixteen (16) of thirty-two (32) selections in the 2006 Draft), including any Club option, may not exceed six (6) years in length, and the initial Player Contract of a

Rookie drafted with a selection in the second half of the first round, including any Club option, may not exceed five (5) years in length.

ARTICLE VI
VETERANS WITH LESS THAN THREE ACCRUED SEASONS

Section 1. Accrued Seasons Calculation:

(a) For the purposes of calculating Accrued Seasons under this Agreement, a player shall receive one Accrued Season for each season during which he was on, or should have been on, full pay status for a total of six or more regular season games, but which, irrespective of the player's pay status, shall not include games for which the player was on: (i) the Exempt Commissioner Permission List, (ii) the Reserve PUP List as a result of a nonfootball injury, or (iii) a Club's Practice or Development Squad.

(b) For the purposes of calculating Accrued Seasons under this Agreement, for any League Year beginning with the 1993 League Year, a player shall not receive an Accrued Season for any League Year in which the player is under contract to a Club and in which he failed to report to such Club at least thirty days prior to the first regular season game of that season, or in which the player thereafter failed to perform his contract services for the Club for a material period of time, unless he demonstrates to the Impartial Arbitrator extreme personal hardship causing such failure to report or perform, such as severe illness or death in the family. The determination of the Impartial Arbitrator shall be made within thirty days of the application by the player, and shall be based upon all information relating to such hardship submitted by such date. The determination of the Impartial Arbitrator shall be final and binding upon all parties.

Section 2. Negotiating Rights of Players with Less Than Three Accrued Seasons:

Any Veteran with less than three Accrued Seasons whose contract has expired may negotiate or sign a Player Contract only with his Prior Club, if on or before March 1 his

Prior Club tenders the player a one year Player Contract with a Paragraph 5 Salary of at least the Minimum Active/Inactive List Salary applicable to that player. If the Prior Club has not by that date made the Required Tender or later withdraws such tender, the player shall be completely free to negotiate and sign a Player Contract with any Club, and any Club shall be completely free to negotiate and sign a Player Contract with such player, without any penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

ARTICLE VII
VETERAN FREE AGENCY

Section 1. Unrestricted Free Agents:

(a) Subject to the provisions of Article VIII (Franchise and Transition Players), any player with five or more Accrued Seasons, or with four or more Accrued Seasons in any Capped Year, shall, at the expiration of his Player Contract, become an Unrestricted Free Agent. Such player shall be completely free to negotiate and sign a Player Contract with any Club, and any Club shall be completely free to negotiate and sign a Player Contract with such player, without penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs or First Refusal Rights of any kind, subject to the signing period set forth below.

(b) **Signing Period.**

(i) In the event that an Unrestricted Free Agent has not signed a Player Contract with a Club by July 22 or the first scheduled day of the first NFL training camp, whichever is later, in the League Year following the expiration of his last Player Contract, he may negotiate or sign a Player Contract from July 22 until the Tuesday following the tenth week of the regular season, at 4:00 p.m. New York time, only with his Prior Club, provided that the Prior Club by June 1 has tendered to the player a one year Player Contract of at least 110% of either (a) his Prior Year Salary (if his expiring Player Contract is not a Player Contract he entered into as a Rookie), or (b) his Paragraph 5 Salary (if his expiring Player Contract is a Player Contract he entered into as a Rookie, without renegotiation), in each case with all other terms of his contract identical to his prior year's contract. For the purposes of this Subsection, "Prior Year Salary" means the total of the Paragraph 5 Salary, roster and reporting bonuses, pro-rata portion of signing

bonus, and other payments to players in compensation for the playing of professional football for the last year of the player's most recently negotiated Player Contract, except for performance bonuses other than roster and reporting bonuses. Prior Year Salary shall also include any unrepaid loans made, guaranteed or collateralized by a Team or its Team Affiliate to a player or Player Affiliate.

(ii) If an Unrestricted Free Agent described in Subsection 1(b)(i) above has not signed a Player Contract by the Tuesday following the tenth week of the regular season, at 4:00 p.m. New York time, the player shall be prohibited from playing football in the NFL for the remainder of that League Year, absent a showing to the Impartial Arbitrator of extreme Club or extreme personal hardship. The determination of the Impartial Arbitrator shall be made within five days of the application and shall be based upon all information relating to such hardship submitted by such date. The determination of the Impartial Arbitrator shall be final and binding upon all parties.

(iii) If an Unrestricted Free Agent does not play in the NFL for the remainder of a League Year pursuant to Subsection 1(b)(ii) above, commencing the first day of the following League Year, the player shall be free to negotiate and sign a Player Contract with any Club, and any Club shall be completely free to negotiate and sign a Player Contract with such player, without penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

(c) In the event that an Unrestricted Free Agent has not signed a Player Contract with a Club by June 1 of the League Year following the expiration of his last Player Contract, and if his Prior Club has not by that date tendered to the player a one

year Player Contract in accordance with the requirements of Subsection 1(b)(i) above, or has withdrawn the tender, the player shall continue to be an Unrestricted Free Agent and shall be completely free to negotiate and sign a Player Contract with any Club, and any Club shall be completely free to negotiate and sign a Player Contract with such player, without any penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

(d) An Unrestricted Free Agent shall not be subject to any limitations on the period of time before which he may qualify as an Unrestricted Free Agent again, or to any limitations on the number of times he may be an Unrestricted Free Agent.

(e) Promptly upon but no later than two business days after the signing of any Unrestricted Free Agent to a Player Contract, the signing Club shall notify the NFL, which shall notify Class Counsel or any Players Union of such signing.

Section 2. Restricted Free Agents:

(a) Any Veteran player with three or more Accrued Seasons, but less than five Accrued Seasons (or less than four Accrued Seasons in any Capped Year), shall, at the expiration of his last Player Contract during such period, become a Restricted Free Agent. Any such player shall be completely free to negotiate and sign a Player Contract with any Club, and any Club shall be completely free to negotiate and sign a Player Contract with any such player, subject to the restrictions set forth in this Article.

(b) In order to receive the following specified Rights of First Refusal and/or Draft Choice Compensation with respect to a Restricted Free Agent, the Prior Club of a

Restricted Free Agent must tender the player a Qualifying Offer on or before the first date of the Restricted Free Agent Signing Period, as follows:

(i) For Restricted Free Agents with three Accrued Seasons:

(1) Right of First Refusal: one year Player Contract with Paragraph 5 Salary of at least \$721,600 for the 2006 League Year, \$850,000 for the 2007 League Year, \$927,000 for the 2008 League Year, \$1,010,000 for the 2009 League Year, \$1,101,000 for the 2010 League Year, \$1,200,000 for the 2011 League Year, or \$1,308,000 for the 2012 League Year, as applicable;

(2) Right of First Refusal and Draft Selection at Player's Original Draft Round: one year Player Contract with a Paragraph 5 Salary of at least (a) the amount set forth in Subsection (b)(i)(1) above, or (b) 110% of the player's prior year's Paragraph 5 Salary, whichever is greater; in addition, if option (b) applies, all other terms of the player's prior year contract are carried forward unchanged (this Subsection is subject to the rules of Subsection (c) below);

(3) Right of First Refusal, One Second Round Draft Selection: one year Player Contract with a Paragraph 5 Salary of at least (a) \$1,300,000 in the 2007 League Year, \$1,417,000 in the 2008 League Year, \$1,545,000 in the 2009 League Year, \$1,684,000 in the 2010 League Year, \$1,835,000 in the 2011 League Year, or \$2,000,000 in the 2012 League Year, as applicable, or (b) 110% of the player's prior year's Paragraph 5 Salary, whichever is greater; in addition, if option (b) applies, all other terms of the player's prior year contract are carried forward unchanged;

(4) Right of First Refusal and One First Round Draft Selection: one year Player Contract with a Paragraph 5 Salary of at least (a) \$1,573,000 for the 2006 League

Year, \$1,850,000 for the 2007 League Year, \$2,017,000 for the 2008 League Year, \$2,198,000 for the 2009 League Year, \$2,396,000 for the 2010 League Year, \$2,611,000 for the 2011 League Year, or \$2,846,000 for the 2012 League Year, as applicable, or (b) 110% of the player's prior year's Paragraph 5 Salary, whichever is greater; in addition, if option (b) applies, all other terms of the player's prior year contract are carried forward unchanged

(5) Right of First Refusal, One First Round Draft Selection, and One Third Round Draft Selection: one year Player Contract with a Paragraph 5 Salary of at least (a) \$2,096,600 for the 2006 League Year, \$2,350,000 for the 2007 League Year, \$2,562,000 for the 2008 League Year, \$2,792,000 for the 2009 League Year, \$3,043,000 for the 2010 League Year, \$3,317,000 for the 2011 League Year, or \$3,616,000 for the 2012 League Year, as applicable, or (b) 110% of the player's prior year's Paragraph 5 Salary, whichever is greater; in addition, if option (b) applies, all other terms of the player's prior year contract are carried forward unchanged;

(ii) For Restricted Free Agents with four Accrued Seasons (in Uncapped Years):

(1) Right of First Refusal: one year Player Contract with Paragraph 5 Salary of at least \$771,600 for the 2006 League Year, \$925,000 for the 2007 League Year, \$1,002,000 for the 2008 League Year, \$1,085,000 for the 2009 League Year, \$1,176,000 for the 2010 League Year, \$1,275,000 for the 2011 League Year, or \$1,383,000 for the 2012 League Year, as applicable;

(2) Right of First Refusal and Draft Selection at Player's Original Draft Round: one year Player Contract with a Paragraph 5 Salary of at least (a) the amount set

forth in Subsection (b)(ii)(1) above; or (b) 110% of the player's prior year's Paragraph 5 Salary, whichever is greater; in addition, if option (b) applies, all other terms of the player's prior year contract are carried forward unchanged (this Subsection is subject to the rules of Subsection (c) below);

(3) Right of First Refusal and One Second Round Draft Selection: one year Player Contract with a Paragraph 5 Salary of at least (a) \$1,375,000 in the 2007 League Year, \$1,492,000 in the 2008 League Year, \$1,620,000 in the 2009 League Year, \$1,759,000 in the 2010 League Year, \$1,910,000 in the 2011 League Year, or \$2,075,000 in the 2012 League Year, as applicable, or (b) 110% of the player's prior year's Paragraph 5 Salary, whichever is greater; in addition, if option (b) applies, all other terms of the player's prior year contract are carried forward unchanged

(4) Right of First Refusal and One First Round Draft Selection: one year Player Contract with a Paragraph 5 Salary of at least (a) \$1,673,000 for the 2006 League Year, \$1,975,000 for the 2007 League Year, \$2,142,000 for the 2008 League Year, \$2,323,000 for the 2009 League Year, \$2,521,000 for the 2010 League Year, \$2,736,000 for the 2011 League Year, or \$2,971,000 for the 2012 League Year, as applicable, or (b) 110% of the player's prior year's Paragraph 5 Salary, whichever is greater; in addition, if option (b) applies, all other terms of the player's prior year contract are carried forward unchanged; and

(5) Right of First Refusal, One First Round Draft Selection, and One Third Round Draft Selection: one year Player Contract with Paragraph 5 Salary of at least (a) \$2,196,600 for the 2006 League Year, \$2,475,000 for the 2007 League Year, \$2,687,000 for the 2008 League Year, \$2,917,000 for the 2009 League Year, \$3,168,000 for the 2010

League Year, \$3,442,000 for the 2011 League Year, or \$3,741,000 for the 2012 League Year, as applicable, or (b) 110% of the player's prior year's Paragraph 5 Salary, whichever is greater; in addition, if option (b) applies, all other terms of the player's prior year contract are carried forward unchanged.

(c) (i) Notwithstanding Subsections 2(b)(i) and 2(b)(ii) above, in the event that a Prior Club tenders any of its Restricted Free Agents originally selected in a draft round lower than the first round a Qualifying Offer that requires Draft Choice Compensation of one first round selection (the "(c)(i) Upgraded Tender"), the Prior Club shall only be eligible to receive Draft Choice Compensation of one second round selection for any of its Restricted Free Agents originally selected in the first round of the Draft, unless such Restricted Free Agents have each received a Qualifying Offer of at least the amount of the (c)(i) Upgraded Tender.

(ii) Notwithstanding Subsections 2(b)(i) and 2(b)(ii) above, in the event that a Prior Club tenders any of its Restricted Free Agents originally selected in a draft round lower than the second round a Qualifying Offer that requires Draft Choice Compensation of one second round selection (the "(c)(ii) Upgraded Tender"), the Prior Club shall only be eligible to receive Draft Choice Compensation of one third round selection for any of its Restricted Free Agents originally selected in the second round of the Draft, unless such Restricted Free Agents have each received a Qualifying Offer of at least the amount of the (c)(ii) Upgraded Tender.

(d) [Omitted]

(e) [Omitted]

(f) A Restricted Free Agent shall have the option of accepting a one year NFL Player Contract for 110% of his Prior Year Paragraph 5 Salary (with all other terms of his prior year contract carried forward unchanged) in lieu of a Player Contract for the applicable alternative amount specified in this paragraph, if he so wishes, regardless of which Player Contract is for a greater amount.

(g) In the event a Prior Club withdraws its Qualifying Offer, the Restricted Free Agent shall immediately become an Unrestricted Free Agent and shall be completely free to negotiate and sign a Player Contract with any Club, and any Club shall be completely free to negotiate and sign a Player Contract with any such player, without being subject to First Refusal, Draft Choice Compensation, Signing Period, or any other limitation of any kind.

(h) **Signing Period.** The dates of the period in which Restricted Free Agents shall be free to negotiate and sign a Player Contract with any Club (the "Signing Period") shall be agreed upon by the NFL and Class Counsel and any Players Union by the previous September 1, but in no event may such Signing Period be less than a period of forty-five days, unless the parties agree otherwise.

(i)(i) In the event that a Restricted Free Agent has not signed a Player Contract with a Club within the Signing Period in the League Year following the expiration of his last Player Contract, and if the Prior Club by June 1 tenders to the Restricted Free Agent a one year Player Contract of at least 110% of his Paragraph 5 Salary (with all other terms of his prior year contract carried forward unchanged) or extends the player's Qualifying Offer, whichever is greater (the "June 1 Tender"), the Prior Club shall be the only Club with which the player may negotiate or sign a Player Contract during the

period from June 1 until the Tuesday following the tenth week of the regular season, at 4:00 p.m. New York time. If the player's Qualifying Offer is greater than 110% of the player's Paragraph 5 Salary (with all other terms of his prior year contract carried forward unchanged), the Club may withdraw the Qualifying Offer on June 15 and retain its rights under the preceding sentence, so long as the Club immediately tenders the player a one year Player Contract of at least 110% of his Paragraph 5 Salary (with all other terms of his prior year contract carried forward unchanged) (the "June 15 Tender").

(ii) If a Restricted Free Agent described in Subsection 2(i)(i) above has not signed a Player Contract by the Tuesday following the tenth week of the regular season, at 4:00 p.m. New York time, the player shall not play football in the NFL for the remainder of that League Year, absent a showing to the Impartial Arbitrator of extreme Club or extreme personal hardship. The determination of the Impartial Arbitrator shall be made within five days of the application, and shall consider all information relating to such hardship submitted by such date. The determination of the Impartial Arbitrator shall be final and binding upon all parties.

(iii) If a Restricted Free Agent does not play in the NFL in a League Year, his Prior Team shall have the right to tender such player any Qualifying Offer consistent with Section 2(b) prior to the next League Year's Restricted Free Agent Signing Period. In the event such a Qualifying Offer is tendered, the Prior Team shall have the applicable rights regarding such player according to such tender, and such player shall have the same rights regarding negotiations with other Clubs as he had the previous League Year.

(j) In the event that a Restricted Free Agent has not signed a Player Contract with a Club by June 1 in the League Year following the expiration of his last Player

Contract, and if his Prior Club has not by that date made the applicable June 1 Tender to such player, or withdraws the tender, or in the event the Club has withdrawn the applicable June 15 Tender, the player shall be completely free to negotiate and sign a Player Contract with any Club, and any Club may negotiate and sign a Player Contract with such player, without any penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

(k) Promptly upon but no later than two business days after the signing of any Restricted Free Agent to a Player Contract, or the extending to any Restricted Free Agent of a Qualifying Offer, the signing or extending Club shall notify the NFL, which shall notify Class Counsel or any Players Union of such signing or offer.

(l) Draft Choice Compensation under this Article shall be due in that League Year's Draft unless the Offer Sheet is received by the Prior Club later than two days before that League Year's Draft, in which case Draft Choice Compensation shall be due in the following League Year's Draft.

(m) Notwithstanding the foregoing, in the event that the Prior Club of a Restricted Free Agent has tendered the player a Qualifying Offer pursuant to this Article VII, Section 2(m) in an amount at least \$500,000 greater than that specified by Subsections 2(b)(i)(5) or 2(b)(ii)(5) above, as applicable depending upon whether the League Year is a Capped Year or an Uncapped Year, or by Article XI, Section 2(b), if applicable, then the Club shall have a Right of First Refusal and Draft Choice Compensation of only One First Round Selection, but any provision in an Offer Sheet to such player waiving or limiting the New Club's ability to designate the player as a

Franchise Player or Transition Player in the future shall not be a Principal Term, and therefore need not be included in a contract formed with the Prior Club as a result of matching such an Offer Sheet (but shall be included in a contract formed with the New Club as a result of the Prior Club not matching such an Offer Sheet).

Section 3. Offer Sheet and First Refusal Procedures:

(a) Offer Sheets. When a Restricted Free Agent receives an offer to sign a Player Contract from any Club (the “New Club”) other than the Prior Club, which offer the player desires to accept, he shall give to the Prior Club a completed certificate substantially in the form of Appendix D, attached hereto (the “Offer Sheet”), signed by the Restricted Free Agent and the New Club, which shall contain the “Principal Terms” (as defined below) of the New Club’s offer. The New Club and the player must specifically identify in the Offer Sheet those provisions they believe are Principal Terms. The Prior Club, within seven days from the date it receives the Offer Sheet, may exercise or not exercise its Right of First Refusal, which shall have the legal consequences set forth below.

(b) First Refusal Exercise Notice. If the Prior Club gives the Restricted Free Agent a “First Refusal Exercise Notice” substantially in the form of Appendix D, attached hereto, within seven days from the date the Prior Club receives an Offer Sheet, but not later than four days before the Draft, such Restricted Free Agent and the Prior Club shall be deemed to have entered into a binding agreement, which they shall promptly formalize in a Player Contract, containing (i) all the Principal Terms (subject to Subsection (e) below); (ii) those terms of the NFL Player Contract not modified by the

Principal Terms; and (iii) such additional terms, not less favorable to the player than those contained in the Offer Sheet, as may be agreed upon between the Restricted Free Agent and the Prior Club.

(c) No First Refusal Exercise Notice. If the Prior Club does not give the Restricted Free Agent the First Refusal Exercise Notice within the applicable period, the player and the New Club shall be deemed to have entered into a binding agreement, which they shall promptly formalize in a Player Contract, containing (i) all the Principal Terms; (ii) those terms of the NFL Player Contract not modified by the Principal Terms; and (iii) such additional terms, not less favorable to the Restricted Free Agent than those contained in the Offer Sheet, as may be agreed upon between the Restricted Free Agent and the New Club (subject to Section 5 below), and the Restricted Free Agent's Prior Club shall receive from the New Club the Draft Choice Compensation, if any, specified in Section 2 above of this Article. Any Club that does not have available, in the upcoming Draft, the selection choice or choices (its own or better choices in the applicable rounds) needed to provide Draft Choice Compensation in the event of a timely First Refusal Exercise Notice may not sign an Offer Sheet in such circumstances. The player and the New Club may not renegotiate such Player Contract to reduce the Salary in such contract until the date after the trading deadline in that League Year. Neither the Player nor the New Club may exercise an option in such Player Contract that reduces Salary in the first League Year of such contract until the date after the trading deadline in that League Year.

(d) One Offer Sheet. There may be only one Offer Sheet signed by a Restricted Free Agent outstanding at any one time, provided that the Offer Sheet has also been signed by a Club. An Offer Sheet, before or after it is given to the Prior Club, may

be revoked or withdrawn only by the Clubs upon the written consent of the Restricted Free Agent. In either of such events, the Restricted Free Agent shall again be free to negotiate and sign a Player Contract with any Club, and any Club shall again be free to negotiate and sign a Player Contract with such Restricted Free Agent, subject to the Prior Club's continued Right of First Refusal and/or Draft Choice Compensation as described in this section.

(e) Principal Terms. For the purposes of this Section, the Principal Terms of an Offer Sheet are only:

(i) Salary, which shall consist only of: (a) the fixed and specified dollar amounts the New Club will pay, guarantee or lend to the Restricted Free Agent and/or his designees (currently and/or as deferred compensation in specified installments on specified dates) in consideration for his services as a football player under the Player Contract (i.e., signing bonus, Paragraph 5 Salary, and reporting and roster bonuses); and (b) Salary that is variable and/or is subject to calculation only upon the following bases: (i) based upon performance of the Club extending the Offer Sheet (only those incentives which are "likely to be earned" by the player if he enters into a Player Contract with the New Club, pursuant to Subsection (c) above, must be matched by the Prior Club for the purpose of exercising a Right of First Refusal, and such incentives may not exceed fifteen percent (15%) of the Salary in the Offer Sheet); and (ii) generally recognized league honors to be agreed upon by the parties; and

(ii) Any modifications of and additions to the terms contained in the NFL Player Contract requested by the Restricted Free Agent and acceptable to the New Club, that relate to non-compensation terms (including guarantees, no-cut, and no-trade

provisions) of the Restricted Free Agent's employment as a football player (which shall be evidenced either by a copy of the NFL Player Contract, marked to show changes, or by a brief written summary contained in or attached to the Offer Sheet).

(f) No Property or Investments. A Club may not offer any item of property or investments other than Salary as part of the Principal Terms contained in an Offer Sheet.

(g) Incentives. For those incentives which are based on Club performance, only those incentives which are "likely to be earned" by the player if he enters into a Player Contract with the New Club, pursuant to Subsection (c) above, must be matched by the Old Club for the purpose of exercising a Right of First Refusal.

(h) No Consideration Between Clubs. There may be no consideration of any kind given by one Club to another Club in exchange for a Club's decision to exercise or not to exercise its Right of First Refusal, or in exchange for a Club's decision to submit or not to submit an Offer Sheet to a Restricted Free Agent or to make or not to make an offer to enter into a Player Contract with a Restricted Free Agent. If a Club exercises its Right of First Refusal and matches an Offer Sheet, that Club may not trade that player to the Club that submitted the Offer Sheet for at least one calendar year, unless the player consents to such trade.

(i) NFL Only. No Right of First Refusal rule, practice, policy, regulation, or agreement, including any Right of First Refusal applicable to any Restricted Free Agent or Transition Player pursuant to Article VIII (Franchise and Transition Players) below, may apply to the signing of a Player Contract with, or the playing with, any club in any professional football league other than the NFL by any Restricted Free Agent (except as agreed by the player in the circumstances set forth in Section 5 below). This prohibition

applies to any Right of First Refusal described in this Agreement (except as described in Section 5 below).

(j) **No Assignment.** No Right of First Refusal may be assigned to any other Club (except as provided in Article IV (College Draft), Section 7 or as agreed by the player in the circumstances set forth in Section 5 below). This prohibition applies to any Right of First Refusal described in this Agreement (except as described in Section 5 below), including any Right of First Refusal with respect to Restricted Free Agents, Transition Players, or Drafted Rookies described in Article IV (College Draft), Section 5.

(k) **Copies.** Promptly upon but no later than two business days after the giving of an Offer Sheet to the Prior Club, the Restricted Free Agent shall cause a copy thereof to be given to the NFL, which shall notify Class Counsel or any Players Union. Promptly upon but no later than two business days after the giving of a First Refusal Exercise Notice to the Restricted Free Agent, the Prior Club shall cause a copy thereof to be given to the NFL, which shall notify Class Counsel or any Players Union. At any time after the giving of an Offer Sheet to a Prior Club, the NFL may require the New Club to cause a copy thereof to be given to the NFL and Class Counsel or any Players Union by telecopy.

Section 4. Expedited Arbitration: An expedited arbitration before the Impartial Arbitrator, whose decision shall be final and binding upon all parties, shall be the exclusive method for resolving the disputes set forth in this Section. If a dispute arises between the player and either the Prior Club or the New Club, as the case may be, relating to their respective obligations to formalize their binding agreements created under Subsections 3(b) or (c) above, or as to whether the binding agreement is between

the Restricted Free Agent and the New Club or the Restricted Free Agent and the Prior Club, such dispute shall immediately be submitted to the Impartial Arbitrator, who shall resolve such dispute within ten (10) days but in no event later than two (2) days before the Draft. The Impartial Arbitrator shall not have the power to terminate any such binding agreement; he shall have the power only to direct the parties to formalize such binding agreement into a Player Contract in accordance with the Principal Terms of the applicable Offer Sheet, as interpreted by the Impartial Arbitrator.

Section 5. Individually Negotiated Limitations on Player Movement:

(a) All individually negotiated limitations on player movement are prohibited, except as specifically provided as follows:

(i) If a Restricted Free Agent has been tendered a Qualifying Offer of (a) Paragraph 5 Salary of at least the applicable amount stated in Section 2(b)(i)(1) above for a player with three Accrued Seasons, or (b) at least the applicable amount stated in Section 2(b)(ii)(1) above for a player with four Accrued Seasons, or (c) at least 110% of his prior year's Paragraph 5 Salary, whichever is greater (in each case with all other terms of his prior year contract carried forward), and the Qualifying Offer is fully guaranteed for skill and injury, the Restricted Free Agent and his Prior Club may negotiate and contract for an individual Right of First Refusal with respect to the services of such player.

(ii) Any Unrestricted Free Agent shall be permitted to negotiate and contract for an individual Right of First Refusal with any Club with respect to the services of such

player so long as the player is not a Franchise Player or Transition Player at the time of such negotiation and contract.

(b) Any player (other than a Free Agent) with less than three Accrued Seasons is prohibited from negotiating any individual limitations on his movement in his Player Contract or otherwise, and all Clubs are prohibited from negotiating any such limitations with such players.

(c) Any individual Right of First Refusal that is negotiated and contracted for pursuant to Subsection (a) or (b) above shall be void and unenforceable unless it is specified in a separate document signed by such player in the form annexed hereto as Appendix E, acknowledging such player's waiver of the express right that Unrestricted Free Agents have under this Agreement to be free of any Right of First Refusal restriction on their freedom of movement.

(d) [Omitted]

(e) [Omitted]

(f) Rights of First Refusal negotiated pursuant to this Section 5 may be traded or assigned as part of a player's contract.

Section 6. Notices, Etc.:

(a) Any Offer Sheet, First Refusal Exercise Notice, or other writing required or permitted to be given under this Article VII (Veteran Free Agency), shall be sent either by personal delivery or by overnight mail, or by telecopy (in each case a confirmation copy shall also be sent by first class mail), addressed as follows:

(i) To any NFL Club: addressed to that Club at the principal address of such Club as then listed on the records of the NFL or at the Club's principal office, to the attention of the Club's president or general manager;

(ii) To the NFL, 280 Park Avenue, New York, New York 10017, to the attention of Executive Vice President-Labor Relations;

(iii) To a Restricted Free Agent: to his address listed on the Offer Sheet and, if the Restricted Free Agent designates a representative on the Offer Sheet and lists such representative's address thereon, a copy shall be sent to such representative at such address; and

(iv) To Class Counsel or any Players Union: [as designated by Class Counsel].

(b) An Offer Sheet shall be deemed given only when received by the Prior Club. A First Refusal Exercise Notice, a Qualifying Offer and any other writing required or permitted under Article VII (Veteran Free Agency) shall be deemed given when sent by the Prior Club.

(c) Subject to Article XIII (Anti-Collusion), Section 1 below, the NFL shall have the right to prepare and circulate to all Clubs two lists containing, respectively, no more than the name, address, Social Security number, telephone number, college, position, Team, Right of First Refusal and/or any Draft Choice Compensation of each and every player who shall or has become (i) an Unrestricted Free Agent; or (ii) a Restricted Free Agent, as of March 1, or as of the first date of the Signing Period, respectively ("Free Agent Lists"), and no other list relating to free agents. Information shall not be selectively withheld for some players but not others. If one or more Free

Agent Lists are so circulated, copies thereof shall be sent to Class Counsel or any Players Union.

ARTICLE VIII
FRANCHISE AND TRANSITION PLAYERS

Section 1. Franchise Player Designations: Except as set forth in Section 10, below, each Club shall be permitted to designate one of its players who would otherwise be an Unrestricted Free Agent as a Franchise Player each season during the term of this Agreement. The player so designated may be one who would otherwise be a Restricted Free Agent. Except as set forth in Section 2(a)(i), below, any Club that designates a Franchise Player shall be the only Club with which such Franchise Player may negotiate or sign a Player Contract, during the period the player is so designated, notwithstanding the number of his Accrued Seasons. The period for Clubs to designate Franchise Players will begin on the twenty-second day preceding the first day of the new League Year and will end at 4:00 p.m. New York time on the eighth day preceding the first day of the new League Year.

Section 2. Required Tender for Franchise Players:

(a) Except as provided in Subsection (b) below, any Club that designates a Franchise Player shall on the date the designation is made notify the player and Class Counsel or any Players Union which one of the following two potential required tenders the Club has selected:

(i) A one year NFL Player Contract for the average of the five largest Prior Year Salaries for players at the position (within the categories set forth in Section 7(a) below) at which the Franchise Player played the most games during the prior League Year, or 120% of his Prior Year Salary, whichever is greater; if the Club extends the tender pursuant to this Subsection (a)(i), the player shall be permitted to negotiate a

Player Contract with any Club as if he were a player subject to Section 5 below, except that Draft Choice Compensation of two first round draft selections shall be made with respect to such player in the event he signs with the New Club, and the Signing Period for such player shall be determined under Section 17 below; or

(ii) A one year NFL Player Contract for (1) the average of the five largest Salaries in Player Contracts for that League Year as of the end of the Restricted Free Agent Signing Period that League Year, as set forth in Article VII (Veteran Free Agency), Section 2(h), for players at the position (within the categories set forth in Section 7(a) below) at which he played the most games during the prior League Year, or (2) the amount of the required tender under Subsection (a)(i) above, whichever is greater.

(b) Any Club that designates a player as a Franchise Player for the third time shall, on the date the third such designation is made, be deemed to have tendered the player a one-year NFL Player Contract for the greater of: (1) the average of the five largest Prior Year Salaries for players at the position (within the categories set forth in Section 7(a) below) with the highest such average; (2) 120% of the average of the five largest Prior Year Salaries for players at the position (within the categories set forth in Section 7(a) below) at which the player played the most games during the prior League Year; or (3) 144% of his Prior Year Salary. By way of example, a kicker designated as a Franchise Player for the third time in the 2007 League Year would have a Required Tender equal to the greater of: (i) the average of the five largest 2006 Salaries for quarterbacks; (ii) 120% of the average of the five largest 2006 Salaries for kickers; or (iii) 144% of the player's own 2006 Salary. If the Club designates the player as a Franchise Player for the third time, the designating Club shall be the only Club with which the

player may negotiate or sign a Player Contract. In lieu of designating such a player as a Franchise Player for the third time, any Club may designate such player as a Transition Player pursuant to Section 3 below.

(c) If a player subject to a Franchise Player designation accepts the Required Tender, the resulting Player Contract shall be fully guaranteed if the player's contract is terminated because of lack of comparative skill; as a result of an injury sustained in the performance of his services under his Player Contract; and/or due to a Club's determination to create Room for Salary Cap purposes. For purposes of this Subsection only, any contract termination due to the failure of the player to establish or maintain his excellent physical condition will be subject to review of a neutral physician appointed by the parties under Article X (Injury Grievance) of the Collective Bargaining Agreement, whose physical findings will be conclusive in any arbitration proceeding relating to the physical condition of the player at the time of the exam, providing such exam takes place within twenty (20) days of the contract termination.

(d) Any of the required tenders set forth in this Section 2 may be withdrawn at any time, but if such tender is withdrawn, the player immediately becomes an Unrestricted Free Agent and thereafter is completely free to negotiate and sign a Player Contract with any Club, and any Club shall be completely free to negotiate and sign a Player Contract with any such player, without any penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

(e) For the purpose of this Article, "Salary" means the total of the Paragraph 5 Salary (reduced proportionately if the contract is entered into after the first regular season

game), roster and reporting bonuses, pro-rata portion of signing bonus, and other payments to players in compensation for the playing of professional football for the applicable year of the player's most recently negotiated Player Contract, except for performance bonuses other than roster and reporting bonuses. Salary shall also include any unrepaid loans made, guaranteed or collateralized by a Team or its Team Affiliate to a player or Player Affiliate.

(f) The calculation of any five largest Prior Year Salaries shall include any Player Contract resulting from acceptance of a tender for the Prior Year pursuant to Section 2(a)(i) or (a)(ii) above, provided that the player played during the Prior League Year pursuant to the tender, but shall not include the amount of any term of a Player Contract renegotiated after the Monday of the tenth week of the regular season of the Prior League Year that provides for an unearned incentive to be treated as a signing bonus.

(g) The calculation of any five largest Salaries for the current League Year as of the end of the Restricted Free Agent signing period pursuant to Section 2(a)(ii) above shall include any Player Contract resulting from acceptance of any tender for the Prior League Year pursuant to Section 2(a)(i) or (a)(ii) above, provided that the player played during the Prior League Year pursuant to the tender, but shall not include (i) any Player Contract amount resulting from a renegotiation of an existing Player Contract between the time of the designation and any applicable later date or (ii) the amount of any term of a Player Contract renegotiated after the Monday of the tenth week of the regular season of the Prior League Year that provides for an unearned incentive to be treated as a signing bonus.

(h) If a Franchise Player receives a required tender pursuant to Section 2(a)(i) above, any provision in an Offer Sheet to such player waiving or limiting the New Club's ability to designate the player as a Franchise Player or Transition Player in the future shall not be a Principal Term, and therefore need not be included in a contract formed with the Prior Club as a result of matching such an Offer Sheet (but shall be included in a contract formed with the New Club as a result of the Prior Club not matching such an Offer Sheet). This Subsection (h) shall not apply to a player who was designated as a Transition Player in lieu of being designated as a Franchise Player, pursuant to Section 3(a) below, or to any other Transition Player.

(i) The definition of a "Signing Bonus" for purposes of the top 5 and top 10 minimum tenders is the same as that under the Salary Cap. The pro-rata portion of such Signing Bonuses includes prorated amounts from prior Player Contracts, and the Salary Cap acceleration rules for unamortized Signing Bonus amounts do not apply to the calculation of the top 5 and top 10 minimum tenders.

(j) For purposes of calculating the minimum tenders to Franchise and Transition players under this Article, if the present value of any deferred Paragraph 5 amount (as defined in Article X, Section 7(a)(ii)) is at least \$100,000 less than the initial Paragraph 5 amount (before being present valued), then the present value amount shall be used.

(k) Any Club designating a Franchise Player shall have until 4:00 p.m., New York time, on July 15 of the League Year (or, if July 15 falls on a Saturday or Sunday, the first Monday thereafter) for which the designation takes effect to sign the player to a multi-year contract or extension. After that date, the player may sign only a one-year

Player Contract with his Prior Club for that season, and such Player Contract may not be extended until after the Club's last regular season game.

Section 3. Transition Player Designations:

(a) Each Club shall be permitted to designate one Unrestricted Free Agent as a Transition Player in the Final League Year. In addition, in each League Year during the term of this Agreement, each Club shall be permitted to designate one Unrestricted Free Agent or Restricted Free Agent as a Transition Player in lieu of designating a Franchise Player, if such Franchise Player designation is available to such Club, in addition to the Transition Player designation permitted by the immediately preceding sentence, during the same designation period as the Franchise Player designation period. The period for Clubs to designate Transition Players will begin on the twenty-second day preceding the first day of the new League Year and will end at 4:00 p.m. New York time on the eighth day preceding the first day of the new League Year.

(b) Any Club that designates a Transition Player shall receive the Rights of First Refusal specified in this Article notwithstanding the number of his Accrued Seasons. Any Transition Player shall be completely free to negotiate and sign a Player Contract with any Club during the period from the first day of the League Year following the expiration of his last player contract to July 22, and any Club shall be completely free to negotiate and sign a Player Contract with such player, without penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs of any kind, subject only to the Prior Club's Right of First Refusal described in this Article.

Section 4. Required Tender for Transition Players:

(a) Any Club that designates a Transition Player shall be deemed on the first day of the League Year following the expiration of the player's last contract to have automatically tendered the player a one year NFL Player Contract for the average of the ten largest Prior Year Salaries for players at the position at which he played the most games during the prior League Year, or 120% of his Prior Year Salary, whichever is greater. The tender may be withdrawn at any time, but if such tender is withdrawn, the player immediately becomes an Unrestricted Free Agent and thereafter is completely free to negotiate and sign a Player Contract with any Club, and any Club shall be completely free to negotiate and sign a Player Contract with such player, without any penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

(b) [Omitted]

(c) The calculation of any ten largest Prior Year Salaries pursuant to Section 4(a) above shall include any Player Contract amount resulting from acceptance of a tender for the Prior Year pursuant to Section 2(a)(i), 2(a)(ii) or 4(a) above, provided that the player played the Prior League Year pursuant to such tender, but shall not include the amount of any Player Contract renegotiated after the Monday of the tenth week of the regular season of the Prior Year that provides for an unearned incentive treated as a signing bonus.

(d) If a player subject to a Transition Player designation accepts the Required Tender, the resulting Player Contract shall be fully guaranteed if the player's contract is terminated because of lack of comparative skill; as a result of an injury sustained in the

performance of his services under his Player Contract; and/or due to a Club's determination to create Room for Salary Cap purposes. For purposes of this Subsection only, any contract termination due to the failure of the player to establish or maintain his excellent physical condition will be subject to review of a neutral physician appointed by the parties under Article X (Injury Grievance) of the Collective Bargaining Agreement, whose physical findings will be conclusive in any arbitration proceeding relating to the physical condition of the player at the time of the exam, providing such exam takes place within twenty (20) days of the contract termination.

Section 5. Right of First Refusal for Transition Players: Any player designated as a Transition Player shall, at the expiration of his prior year Player Contract, be permitted to negotiate a Player Contract with any Club. When the Transition Player negotiates such an offer with a New Club, which the player desires to accept, he shall give to the Prior Club a completed Offer Sheet, signed by the player and the New Club, which shall contain the Principal Terms (as defined in Article VII (Veteran Free Agency)) of the New Club's offer. The Prior Club, within seven days from the date it receives the Offer Sheet, may exercise or not exercise its Right of First Refusal, which shall have the legal consequences set forth in Sections 3(b)-(h), 4 and 6 of Article VII (Veteran Free Agency) above, except that no Draft Choice Compensation shall be made with respect to such player, and, for the purposes of those provisions, the player and each Club shall otherwise have the same rights and obligations as for a Restricted Free Agent set forth in those provisions, notwithstanding the number of his Accrued Seasons.

Section 6. Lists: On each date following the dates set forth in Sections 1 and 3 above, the NFL shall provide to Class Counsel or any Players Union a list of each Unrestricted Free Agent designated as a Franchise Player or a Transition Player.

Section 7. Salary Information:

(a) No later than February 1 of each League Year during the term of this Agreement, the NFL shall compile and disclose to Class Counsel or any Players Union a list of each of the ten largest Prior Year Salaries for players at the following positions which shall be utilized for calculating the average Prior Year Salaries of players at the positions of Franchise Players and Transition Players: Quarterback, Running Back, Wide Receiver, Tight End, Offensive Line, Defensive End, Interior Defensive Line, Linebacker, Cornerback, Safety, and Kicker/Punter.

(b) No later than ten days after the last day of the Restricted Free Agent Signing Period in each League Year during the term of this Agreement, the NFL shall compile and disclose to Class Counsel or any Players Union a list of each of the ten and five largest Salaries for players at the positions set forth in subparagraph (a) above which shall be utilized for calculating the applicable average Salaries of players at such positions as of the last day of the Restricted Free Agent Signing Period (including the amount of Salary in any executed Offer Sheets).

(c) Any dispute concerning the identity and Salaries of players included within each player position category, or any other matter regarding these figures, shall be submitted to and resolved by the Impartial Arbitrator during the period from February 1 to February 15, or within twenty five days after the last day of the Restricted Free Agent

Signing Period, respectively. The Impartial Arbitrator shall make an independent determination in writing. In arriving at his determination, the Impartial Arbitrator shall consider any relevant information furnished to him, and shall be provided access to all relevant Player Contracts. The Impartial Arbitrator's determination shall be final and binding upon all parties.

Section 8. No Assignment: No Club may assign or otherwise transfer to any other Club the exclusive negotiating rights or any Right of First Refusal it may have for any Franchise Player, nor any Right of First Refusal it may have for any Transition Player, nor any designation rights it may have.

Section 9. [Omitted]

Section 10. Franchise Player Designation Period: A Club may designate a Franchise Player only during the periods and in the numbers specified in Section 1 above; otherwise, the Club's right to such designation expires. However, a Club may designate a player to whom the Club has rights as a Franchise Player with respect to any first future League Year during the term of this Agreement for which such player is anticipated to be an Unrestricted Free Agent. For any such players, the Club shall be deemed on the first day of the first future League Year in which the designation takes effect to have automatically tendered the player a one year NFL Player Contract for the applicable average of the five largest Prior Year Salaries for players at the position category at which he played the most games during the prior League Year, or 120% of the player's

Prior-Year Salary, whichever is greater, except as provided in Section 2(b) above. If a Club designates a player pursuant to this Section 10, the Club shall be deemed to have used the Franchise Player designation in Section 1 above for the year in which the designation takes effect; provided, however, that if a player designated to become the Franchise Player in the future retires, suffers a career-ending injury (or an injury that prevents the player from participating in 32 consecutive regular season games), is unavailable for the season due to non-injury circumstances beyond the control of the Club, or is assigned to another Club (other than through the waiver system) before such designation is exercised, the Club shall be entitled to designate a new Franchise Player for that League Year. Any dispute as to whether an injury is career-ending or prevents or will prevent a player from playing in 32 consecutive games shall be decided by the Impartial Arbitrator.

Section 11. Transition Player Designation Period: A Club may designate a Transition Player (or players) only during the periods and in the numbers specified in Section 3 above; otherwise, the Club's right to such designation expires. However, a Club may designate a player to whom the Club has rights as a Transition Player with respect to any first future League Year during the term of this Agreement for which such player becomes an Unrestricted Free Agent; any such future designation exhausts the Club's designation right (and does not move to any other Club) even if the player moves to another Club, as a Restricted Free Agent or via waivers, before he would have become an Unrestricted Free Agent with the designated Club. For any such players, the Club shall be deemed on the first day of the first future League Year in which the designation takes

effect to have automatically tendered the player a one year NFL Player Contract for the applicable average of the ten largest Prior Year Salaries for players at the position that he played the most games during the prior League Year, or 120% of the player's Prior Year Salary, whichever is greater. If a player designated to become a Transition Player in the future retires, suffers a career-ending injury (or an injury that prevents the player from participating in 32 consecutive regular season games), is unavailable for the season due to non-injury circumstances beyond the control of the Club, or is assigned to another Club (other than through the waiver system) before such designation is exercised, the Prior Club shall be entitled to designate a new Transition Player for that League Year. If a Prior Club becomes entitled to designate a new Transition Player pursuant to this Section 11, the prior Club may designate the new Transition Player for that League Year during the period prescribed by Section 3(a) above, in the League Year prior to the League Year in which the player initially designated would have become a Transition Player. Any dispute as to whether an injury is career-ending or prevents or will prevent a player from playing in 32 consecutive games shall be decided by the Impartial Arbitrator.

Sections 12-13. [Omitted]

Section 14. Other Terms: For the purposes of this Article, the Required Tenders of a one year Player Contract for at least 120% (or 144%, if the player is eligible to receive such a tender) of the Franchise Player's or 120% of the Transition Player's Prior Year Salaries shall in addition to the 120% or 144% Salary also include all other terms of the player's Prior Year contract, including any guarantees and any provisions providing for

incentives or performance bonuses. In addition, a player who is designated as a Franchise Player or a Transition Player shall have the option of accepting a one year NFL Player Contract for 120% (or 144%, if the player is eligible to receive such a tender) of the player's Prior Year Salary in lieu of a Player Contract for the average of the five (or ten, as applicable) largest applicable Salaries for players at his position, if he so wishes, regardless of which Player Contract is for a greater amount.

Section 15. Compensatory Draft Selection: The procedures for awarding Compensatory Draft Selections shall be determined as agreed by the NFL and Class Counsel and any Players Union.

Section 16. Signing Period for Transition Players:

(a) In the event that a player who is designated and tendered as a Transition Player has not signed a Player Contract with a Club by July 22 in the League Year following the expiration of his last Player Contract, the Prior Club shall be the only Club with which the player may negotiate or sign a Player Contract during the period from such date until the Tuesday following the tenth week of the regular season, at 4:00 p.m. New York time.

(b) If a Transition Player described in Subsection (a) above has not signed a Player Contract by the Tuesday following the tenth week of the regular season, at 4:00 p.m. New York time, the player shall be prohibited from playing football in the NFL for the remainder of that League Year, absent a showing to the Impartial Arbitrator of extreme Club or extreme personal hardship. The determination of the Impartial Arbitrator

shall be made within five days of the application, and shall be based upon all information relating to such hardship submitted by such date. The determination of the Impartial Arbitrator shall be final and binding upon all parties.

(c) If a Transition Player does not play in the NFL in a League Year, he shall continue to be treated as a Transition Player the following League Year and the Team shall be deemed on the first day of the following League Year to have automatically tendered the player a one year NFL Player Contract for the average of the ten largest Salaries for the prior League Year for players at the player's specified position, or 120% of his Prior Year Salary, whichever is greater. The tender may be withdrawn at any time, but if such tender is withdrawn, the player immediately becomes an Unrestricted Free Agent and is completely free to negotiate and sign a Player Contract with any Club, and any Club is completely free to negotiate and sign a Player Contract with such player, without penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

Section 17. Signing Period for Franchise Players:

(a) If a Franchise Player has not signed a Player Contract by the Tuesday following the tenth week of the regular season, at 4:00 p.m. New York time, the player shall be prohibited from playing football in the NFL for the remainder of that League Year, absent a showing to the Impartial Arbitrator of extreme Club or extreme personal hardship. The determination of the Impartial Arbitrator shall be made within five days of the application, and shall consider all information relating to such hardship submitted by

such date. The determination of the Impartial Arbitrator shall be final and binding upon all parties.

(b) If a Franchise Player does not play in the NFL in a League Year, his Prior Team shall have the right to designate such player as a Franchise Player or a Transition Player the following League Year, if such designation is otherwise available to the Team, except that the applicable tender must be made and any 120% tender shall be measured from the Player's prior year salary. If such a player is redesignated as a Franchise Player for the League Year following the League Year in which he does not play, the player may be designated only under Section 2(a)(i) above, except that Draft Choice Compensation of only one first round draft selection and one third round draft selection shall be made with respect to such player in the event he signs with the New Club. If such a player is designated as a Franchise Player for a third time, the terms of Section 2(b) above shall apply. If a Franchise Player who has sufficient Accrued Seasons to become an Unrestricted Free Agent is not designated as a Franchise Player or Transition Player for any League Year immediately following a League Year in which he does not play, then on the first day of that League Year, the player becomes an Unrestricted Free Agent and is completely free to negotiate and sign a Player Contract with any Club, and any Club is completely free to negotiate and sign a Player Contract with such player, without penalty or restriction, including, but not limited to, Draft Choice Compensation between Clubs or First Refusal Rights of any kind, or any signing period.

ARTICLE VIII-A
MINIMUM SALARIES

Sections 1-5. [Omitted]

Section 6. Minimum Salaries:

(a) Beginning in the 2006 League Year, the Paragraph 5 Salary of any player on a Club's Active/Inactive List at any time during the regular season will be not less than the following:

<u>League Year</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Zero Credited Seasons	275	285	295	310	325	340	355
One Credited Season	350	360	370	385	400	415	430
Two Credited Seasons	425	435	445	460	475	490	505
Three Credited Seasons	500	510	520	535	550	565	580
Four-Six Credited Seasons	585	595	605	620	635	650	665
Seven-Nine Credited Seasons	710	720	730	745	760	775	790
Ten or more Credited Seasons	810	820	830	845	860	875	890

(all amounts in thousands of dollars)

provided, however, that if any League Year other than the 2012 League Year is an Uncapped Year, then the minimum Paragraph 5 Salary for each such Uncapped Year shall only increase \$10,000 from the prior League Year (e.g., if the 2010 League Year is Uncapped, then the minimum Paragraph 5 Salary for a player with zero Credited Seasons for 2010 shall be \$320,000 instead of \$325,000).

(b) Beginning in the 2006 League Year, the Minimum Salary of any player not on a Club's Active/Inactive List (excluding practice squad) shall be as follows:

<u>League Year</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Zero Credited Seasons	180	190	200	215	230	245	260
One Credited Season	195	205	215	230	245	260	275
Two Credited Seasons	210	220	230	245	260	275	290
Three Credited Seasons	250	260	270	285	300	315	330
Four-Six Credited Seasons	275	285	295	310	325	340	355
Seven-Nine Credited Seasons	300	310	320	335	350	365	380
Ten or more Credited Seasons	325	335	345	360	375	390	405

(all amounts in thousands of dollars)

provided, however, that if any League Year other than the 2012 League Year is an Uncapped Year, then the minimum Paragraph 5 Salary for each such Uncapped Year shall only increase \$10,000 from the prior League Year (e.g., if the 2010 League Year is Uncapped, then the minimum Paragraph 5 Salary for a player with zero Credited Seasons for 2010 shall be \$225,000 instead of \$230,000).

Section 7. Credited Season: For purposes of calculating Credited Seasons under this Article only, a player shall earn one Credited Season for each season during which he was on, or should have been on, full pay status for a total of three or more regular season games, but which, irrespective of the player's pay status, shall not include games for which this player was on: (i) the Exempt Commissioner Permission List; (ii) the Reserve PUP List as a result of a non-football injury; (iii) a Club's Practice or Developmental Squad; or (iv) a Club's Injured Reserve List.

ARTICLE VIII-B
MINIMUM SALARY BENEFIT

Section 1. Qualifying Players: For purposes of this Article, a “Qualifying Player” shall be defined as a player with four or more Credited Seasons, whose contract has expired or been terminated, who signs a Qualifying Contract.

Section 2. Qualifying Contracts: For purposes of this section, a “Qualifying Contract” shall be defined as a Player Contract signed by a Qualifying Player that (a) covers only a single League Year and (b) contains no terms that affect compensation in any way other than (1) the applicable minimum Paragraph 5 Salary, (2) up to \$40,000 in additional compensation for the 2006-08 League Years, or up to \$50,000 in additional compensation for the 2009-11 League Years (e.g., signing bonus allocation, roster, report, or any incentive (LTBE or not)), and/or (3) a guarantee for salary and/or Salary advance of up to the Minimum Salary for a player with two Credited Seasons (e.g., \$425,000 in the 2006 League Year). Thus, for example, a contract that includes an option year is not a Qualifying Contract. Similarly, a Qualifying Contract may not be extended or renegotiated in any manner. Split contracts, if they otherwise qualify, may be Qualifying Contracts. If the player’s prior contract was terminated, he is eligible to sign a Qualifying Contract if he does not earn more than \$40,000 (2006-08 League Years) or \$50,000 (for the 2009-2011 League Years) in additional compensation less the amount of any additional compensation and/or guaranteed Salary earned during that League Year under the terminated years of his prior contract(s), but his combined compensation from the terminated contract(s) earned for that League Year and the Qualifying Contract cannot

exceed the applicable minimum for that League Year plus \$40,000 (2006-08 League Years) or \$50,000 (2009-2011 League Years) in additional compensation.

Section 3. Additional Compensation Rules:

(a) Per-day off-season workout payments shall not be considered in determining “additional compensation” under Section 2 above, if such payments do not exceed the minimum level prescribed by Article XXXV (Off-Season Workouts) of the CBA (e.g., \$110 per day for fourteen (14) four-day weeks (\$6,160) during the 2006 League Year).

(b) If, however, the Player Contract provides for off-season workout payments above the minimum level, (e.g., \$111 per day for fourteen (14) four-day weeks during the 2006 League Year), then the total of those payments (e.g., \$6,216 in the prior example) shall be included in determining “additional compensation.”

(c) If the Player Contract provides for off-season workout bonus payments on a basis other than a per-day payment, such amounts shall count as “additional compensation” but will not affect the treatment of any off-season workout payments that do not exceed the minimum prescribed level. For example, without limitation on any other example, a player with a 2006 Player Contract that provides for a \$40,000 bonus payable to the player for participating in at least ten days of off-season workouts, in addition to the per-day minimum of \$110 and no other “additional compensation,” has “additional compensation” of \$40,000.

(d) If a player receives from a single Club, under a series of contracts, off-season workout payments specified on a per-day basis that average more than the minimum level prescribed by Article XXXV (Off-Season Workouts) of the CBA (e.g., more than \$110

per day during the 2006 League Year), then all of the off-season workout payments paid on a per-day basis shall count as “additional compensation.”

(e) If a player is eligible to sign a Qualifying Contract with a New Club in accordance with Section 9 below, the full amount of any signing bonus payable to the player under any Player Contract that was executed in the same League Year as the proposed Qualifying Contract shall count against the “additional compensation” that can be earned by such player in accordance with Section 2 above. No other signing bonus amounts from contracts other than the Qualifying Contract shall count as “additional compensation” for such player.

(f) If a player is eligible to sign a Qualifying Contract with his Old Club in accordance with Section 11 below, the circumstances in which signing bonus from a contract other than the Qualifying Contract may count against the \$40,000 (or \$50,000 during the 2009-2011 League Years) in additional compensation that can be earned by the player in accordance with Section 2 above, shall be determined exclusively under Section 11 below, the terms of which are not affected by Subsection 3(e) above.

Section 4. Payments: Players with Qualifying Contracts shall be paid 1/17th of the specified minimum salary on a weekly basis (e.g., 1/17 of \$810,000 per week in the 2006 League Year for a player with ten or more Credited Seasons).

Section 5. Reduced Salary Cap Count: Notwithstanding any other provision of this Agreement, the Salary Cap count for a Qualifying Contract shall be the same as the minimum salary for a player with two Credited Seasons. For split “Qualifying Contracts,”

the Salary Cap count will equal either the difference between the player's minimum salary and the full minimum salary for players with two Credited Seasons (if the player is on an Active/Inactive List) or the difference between the player's split minimum salary and the split minimum for players with two Credited Seasons (if the player is not on an Active/Inactive List).

Section 6. Minimum Salary Benefit Calculation: The difference between the Salary Cap count for a Qualifying Contract and the stated minimum for the Qualifying Player's years of service shall be counted as a Player Benefit ("the Minimum Salary Benefit"). For example, in the 2006 League Year, a Qualifying Player with five Credited Seasons shall receive a Minimum Salary of \$585,000; however, only \$425,000 shall count against his Club's Team Salary. The difference of \$160,000 shall be counted as a Player Benefit. Similarly, for example, in the 2006 League Year, a Qualifying Player with 12 Credited Seasons shall receive a Minimum Salary of \$810,000; however, only \$425,000 shall count against his Club's Team Salary. The difference of \$385,000 shall be counted as a Player Benefit.

Section 7. Extensions of Qualified Contracts: After the Club's last game of a season and prior to the expiration of the Qualifying Contract, the current Club and Player may agree to extend for one year a Qualifying Contract, provided that the terms of the extension comply with Section 2 above.

Section 8. [Omitted]

Section 9. Terminated Qualifying Players: If his contract is terminated, a Qualifying Player may sign a Qualifying Contract with any “New Club” (defined as any Club that did not hold contractual rights to the player’s services on the final day of the prior regular season or last postseason game).

Section 10. Players Moving to New Club: In the event that a player signs a Qualifying Contract with a “New Club,” the player cannot be traded back to the “Old Club” during that League Year unless the player’s prior contract(s) with the Old Club meets the requirements of Section 11 below. In the event that the player signs a Qualifying Contract with a New Club and the Qualifying Contract is terminated by the New Club, the player may sign a Qualifying Contract with his Old Club. Nothing in the foregoing shall prevent a player from signing a contract with his Old Club if the Old Club does not seek to have the contract treated as a Qualifying Contract.

Section 11. Player Returning to Old Club: A player whose prior contract was terminated may sign a Qualifying Contract with his “Old Club”(defined as the Club that held contractual rights to the player’s services on the final day of the prior regular season or last postseason game), provided that the Old Club did not, on or after January 1 in the calendar year that preceded the calendar year in which his contract was terminated, (a) renegotiate and/or extend his prior contract to increase or guarantee compensation or to convert non-guaranteed compensation to a signing bonus allocation, for more than \$40,000 (2006-08 League Years) or \$50,000 (2009-2011 League Years) in any League

Year of the contract for which the player has received or will receive compensation, or (b) sign the player to a new multi-year contract for more than the applicable Minimum Salary in any League Year of the contract plus \$40,000 (2006-08 League Years) or \$50,000 (2009-2011 League Years) in additional compensation in any League Year of the contract for which the player has received or will receive compensation, and further provided that (c) the sum of any acceleration from signing bonus that was agreed to in a contract executed on or after January 1 in the calendar year in which the contract was terminated and any other additional compensation that the player has received or will receive from that terminated contract does not exceed \$40,000 (2006-08 League Years) or \$50,000 (2009-2011 League Years). For purposes of the immediately preceding clause (c) only, any acceleration of signing bonus will be counted in the League Year of the contract's termination regardless of whether the contract was terminated before or after June 1, and signing bonus proration for the final League Year of a contract terminated after June 1 in the contract's next to last League Year will be considered to be accelerated. For example, if on January 1, 2006 a player signs a two-year contract for the minimum Paragraph 5 salary in both years and a \$80,000 signing bonus, and his contract is terminated on June 2, 2006, the player is not eligible to sign a 2006 Qualifying Contract with his Old Club because the sum of the acceleration of the 2006 prorated portion of the signing bonus (\$40,000) that was agreed to in the year of his contract termination and the 2006 prorated portion of signing bonus from that terminated contract (\$40,000) resulted in "additional compensation" of more than \$40,000 in 2006. However, if the contract was signed on December 1, 2005, and the contract is terminated on June 2,

2006, the player is eligible to sign a Qualifying Contract with his Old Club if that contract includes no other additional compensation.

Section 12. Players with Expired Contract: Upon the expiration of a Player Contract, the player may sign a Qualifying Contract with any Club.

Section 13. Guarantees: If a Qualifying Contract with guarantees is terminated, the player shall continue to receive the guaranteed portion of the contract and that money shall continue to count against the Team's Salary Cap, but the benefit portion of the player's compensation (including the subsidy) shall cease. For example, if a player with a \$710,000 Qualifying Contract, which includes a \$425,000 Paragraph 5 guarantee, is terminated after the eighth week of the regular season, he receives \$425,000 of the \$710,000 Minimum Salary. If the player signs multiple guaranteed Qualifying Contracts covering the same League Year at the applicable Minimum Salary, the maximum guaranteed salary he can earn under all such Qualifying Contracts is \$425,000.

Section 14. Termination Pay: If a Qualifying Player is eligible for termination pay when he is released and subsequently files a claim, he shall receive the charged amount (e.g., \$425,000) plus the full benefit amount (e.g., \$285,000 for a player with a Paragraph 5 Minimum Salary of \$710,000). The player does not receive the benefit amount twice (i.e., \$995,000).

Section 15. No Benefit for Non-Qualifying Contracts: Contracts for players with four or more Credited Seasons who sign at the applicable minimum for that year plus more than \$40,000 in additional compensation (e.g., prorated signing bonus, etc.) in any of the 2006-08 League Years, or more than \$50,000 in additional compensation in any of the 2009-11 League Years, or who otherwise do not qualify for the benefit, are not Qualifying Contracts. The Salary Cap count for such contracts will be in accordance with existing Salary Cap rules. There will be no Minimum Salary Benefit or reduced Salary Cap count for such contracts.

ARTICLE VIII-C
PERFORMANCE-BASED POOL

Section 1. Creation Of Fund: In each Capped Year, the NFL shall create a fund known as the Performance Based Pool that will be deducted from the calculation of the Salary Cap in the same manner as any other player benefit.

Section 2. Amount of Fund: For the 2006 League Year, the fund shall be \$3 million per Club (\$96 million League-wide). The fund will increase in each subsequent Capped Year by 5% unless otherwise agreed by the parties; provided, however, that any Players Union shall have the unilateral right to reduce or freeze the amount of the fund pursuant to Article XLVI (Player Benefit Costs), Section 1 of the CBA.

Section 3. Mandatory Distribution Each Year: There shall be mandatory distribution to players of the entire fund each year.

Section 4. Qualifying Players: A player shall be eligible for participation in the Performance Based Pool for a League Year if he plays for at least one down in any regular season game. A player may receive multiple distributions if he qualifies for more than one Club in a single League Year.

Section 5. Methodology:

(a) Each player's "Playtime Percentage" shall be calculated by (i) adding the player's total plays on offense or defense, as appropriate, plus special teams and (ii) dividing that

number by the team's total plays on offense or defense, as appropriate, plus special teams;

(b) Each player's "PBP Compensation" shall be calculated by adding his full regular season Paragraph 5 Salary, prorated signing bonus for the current League Year (plus any signing bonus acceleration (without regard to the June 1 rule) due to his having been released during the applicable League Year, unless the player is re-signed by his old Club without having missed a week of the regular season), earned incentives, and other compensation for the current League Year, subject to the following provisions:

(i) For all players other than those who receive the Minimum Salary Benefit, the full regular season Paragraph 5 Salary shall be used;

(ii) For players who were released and later resigned by the same Club during the regular season, the Paragraph 5 Salary from the player's initial contract shall be used for the period ending with the player's release, and the Paragraph 5 Salary from the player's subsequent contract shall be used for the period from release through the term of the subsequent contract;

(iii) For players who receive the Minimum Salary Benefit, the Paragraph 5 Minimum Salary amount for a player with two Credited Seasons, rather than the stated Paragraph 5 Salary, shall be used to calculate the player's PBP Compensation;

(iv) If a Player Contract is renegotiated after the Monday of the tenth week of the regular season to include an unearned incentive for the current League Year that is treated as signing bonus, such incentive shall not be counted in the calculation of PBP Compensation; and

(v) If a portion of the Player's Paragraph 5 Salary is treated as a signing bonus, the full Paragraph 5 Salary (rather than the current year's proration) will be counted; all other amounts treated as signing bonus will be included on a prorated basis except for unearned incentives, as described in Subsection (iv) above.

(c) Each player's "PBP Index" shall be calculated by dividing the player's Playtime Percentage by his PBP Compensation;

(d) Each player shall receive an allocation from the fund determined by (i) dividing his PBP Index by the sum of the PBP Indices for each player on the Club and then (ii) multiplying that percentage by the Club's total PBP allocation.

Section 6. Corrections: If, after the fund has been distributed to players for any given League Year, a player demonstrates that his payment was miscalculated and should have been greater, he shall promptly be paid the additional Performance-Based Pay to which he is entitled, and said amount shall be deducted from the Club's actual PBP allocation for the following League Year.

ARTICLE IX
FINAL EIGHT PLAN

Section 1. Application: The provisions of this Article shall apply only in any League Year during the term of this Agreement in which no Salary Cap is in effect.

Section 2. Top Four Teams: Each of the four Clubs that participated in the NFC and AFC Championship games the Prior League Year shall not be permitted to negotiate and sign any Unrestricted Free Agent to a Player Contract, except: (a) any Unrestricted Free Agent who acquired that status as a result of the NFL waiver system; (b) any Unrestricted Free Agent who was under contract to such Club on the last date of the last League Year of the player's most recent Player Contract; and (c) any Unrestricted Free Agent signed pursuant to Section 4 below.

Section 3. Next Four Teams: Each of the four playoff Clubs that lost in the immediately preceding playoff games to the four Clubs that participated in the NFC and AFC Championship games the Prior League Year shall not be permitted to negotiate and sign any Unrestricted Free Agent to a Player contract, except: (a) any Unrestricted Free Agent who acquired that status as a result of the NFL waiver system; (b) any Unrestricted Free Agent who was under contract to such Club on the last date of the last League Year of the player's most recent Player contract; (c) any Unrestricted Free Agent signed pursuant to Section 4 below; and (d) any Unrestricted Free Agent as follows:

(i) One such player for a Player Contract that has a first year Salary of \$4,925,000 or more; and

(ii) Any number of such players for a Player Contract that has a first year Salary of no more than \$3,275,000 and an annual increase in any future contract years of no more than 30% of the first contract year Salary, not including any amount attributed to any signing bonus. In addition, each such Club and each such player entering into a Player Contract pursuant to this Subsection may not renegotiate to increase the amount of Salary to be paid during the term of the Player Contract for a period of one year after the signing date of such contract.

Section 4. Replacement of Free Agents Signed by Other Club: Each of the eight Clubs subject to the provisions of this Article shall be permitted to negotiate and sign one Unrestricted Free Agent to a Player Contract (“New Player”) for each Unrestricted Free Agent who was under contract to such Club on the last date of the prior League Year, who has signed with another Club (“Previous Player”), so long as the Player Contract for the New Player shall have a first year Salary of no more than the first year Salary of the Player Contract signed by the Previous Player with the New Club, and an annual increase in any future contract years of no more than 30% of the first contract year Salary, excluding any amounts attributable to any signing bonus. In addition, each such Club and each such player entering into a Player Contract pursuant to this Subsection may not renegotiate to increase the amount of Salary to be paid during the term of the Player Contract for a period of one year after the signing date of such contract.

Section 5. Increases: The amounts specified in this Article (\$4,925,000 and \$3,275,000) shall increase each League Year following the 2006 League Year by the same percentage

as the increase in Projected TR over the prior League Year's TR (as defined in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary)).

Notwithstanding the foregoing, in no event shall the amounts specified in this Article increase if the Projected TR for the League Year in question is not greater than the highest TR of any previous League Year.

Section 6. Salary Definition: For purposes of this Article, "Salary" means Paragraph 5 Salary, roster and reporting bonuses, pro-rata portions of signing bonuses, likely to be earned incentive bonuses, and other payments in compensation for the playing of professional football, as defined in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary) below.

Section 7. Trade Limitation: No Club subject to the provisions of this Article may, for one League Year, trade for a player it otherwise would not be permitted to sign as an Unrestricted Free Agent as a result of the provisions in this Article.

Section 8. Transition and Franchise Players: Clubs subject to the Final Eight Plan are permitted to negotiate with and sign Transition Players and Franchise Players who otherwise are permitted to negotiate and sign with other Clubs.

Section 9. Player Tenders: Each of the eight teams subject to the Final Eight Plan may, after the later of July 15 or the first scheduled day of the first NFL training camp, in any League Year in which the Final Eight Plan is in effect, sign any Unrestricted Free Agent

whose team did not make the June 1 Tender or whose team subsequently withdrew that Tender.

ARTICLE X

GUARANTEED LEAGUE-WIDE SALARY, SALARY CAP & MINIMUM TEAM SALARY

Section 1. Definitions: For purposes of this Article, and anywhere else specifically stated in this Agreement, the following terms shall have the meanings set forth below:

(a) **Total Revenues.**

(i) “Total Revenues” (“TR”) means the aggregate revenues received or to be received on an accrual basis, for or with respect to a League Year during the term of this Agreement, by the NFL and all NFL Teams (and their designees), from all sources, whether known or unknown, derived from, relating to or arising out of the performance of players in NFL football games, with only the specific exceptions set forth below. The NFL and each NFL Team shall in good faith act and use their best efforts, consistent with sound business judgment, so as to maximize Total Revenues for each playing season during the term of this Agreement. Total Revenues shall include, without limitation:

(1) Regular season, preseason, and postseason gate receipts (net of (A) admission taxes, (B) taxes on tickets regularly paid to governmental authorities by Clubs or Club Affiliates, provided such taxes are deducted for purposes of calculating gate receipts subject to revenue sharing and (C) surcharges paid to stadium or municipal authorities which are deducted for purposes of calculating gate receipts subject to revenue sharing), including ticket revenue from “luxury boxes,” suites, and premium seating subject to gate receipt sharing among NFL Teams (except as otherwise expressly agreed to by the parties, the aggregate amount of ticket revenue allocated to luxury boxes, suites and premium seating to be included in TR is the face value of the ticket, or any additional amounts which are subject to gate receipt sharing among NFL Clubs);

(2) Proceeds including Copyright Royalty Tribunal and extended market payments from the sale, license or other conveyance of the right to broadcast or exhibit NFL preseason, regular season and playoff games on radio and television including, without limitation, network, local, cable, pay television, satellite encryption, international broadcasts, delayed broadcasts (which shall not include any broadcast of an NFL preseason, regular season or playoff game occurring more than 72 hours after the live exhibition of the game, unless the broadcast is the first broadcast in the market), and all other means of distribution, net of any reasonable and customary NFL (or Club, as the case may be) expenses related to the project;

(3) Revenues derived from concessions, parking, local advertising and promotion, signage, magazine advertising, local sponsorship agreements, stadium clubs, luxury box income other than that described in Section 1(a)(i)(1) above (with "Super suites" (i.e., suites substantially larger in size than the largest suite regularly available for sale in the stadium) to have no additional value imputed in respect of them by virtue of such status), Internet operations (including merchandise sales) other than those conducted by NFL Ventures, L.P. or its subsidiaries (which are separately addressed below), and sales of programs and novelties (in each of the foregoing cases, all revenues for these subcategories will be calculated using gross figures without any expenses deducted other than only those set forth in or expressly referenced in Section 1(a)(xiv)(1) below);

(4) The net consolidated revenue generated by NFL Ventures L.P. (including but not limited to those categories of revenue currently or formerly generated by NFL Ventures' subsidiaries, NFL Properties LLC, NFL Enterprises LLC, and NFL Productions LLC d/b/a NFL Films, but excluding from NFL Ventures' revenue any

revenues otherwise included in TR pursuant to Subsections (a)(i)(1)-(3) above or Subsection (a)(i)(5) below), with only those expenses set forth in or expressly referenced in Section 1(a)(xiv)(1) below deducted in calculating such net consolidated revenue for purposes of calculating TR. Notwithstanding the foregoing or anything else in this Agreement, any revenues of NFL Ventures or any of its subsidiaries that are distributed directly or indirectly to any Club or Club Affiliate, or are held by NFL Ventures or any of its subsidiaries other than for their own legitimate investment purposes (including reasonable working capital, etc.) and available for distribution to any such Club or Club Affiliate, shall be included in TR (but shall be so included in TR only once, as revenue of either NFL Ventures or of such Clubs/Club Affiliates, in such League Years as are consistent with the Parties' practices for the 1993-2005 League Years). To the extent that revenues of the NFL, NFL Properties, NFL Films, NFL Enterprises, any other NFL affiliate (other than NFL Attractions, as defined below), any Club, or any Club Affiliate result from any licenses to or other provision of intellectual property or other products or services to NFL Attractions, such revenues will be included in TR at no less than fair market value (e.g., to the extent that film, video, NFL logos or other intellectual properties or other products or services of such NFL and/or Club entities are utilized by NFL Attractions without the payment of any licensing fees, the fair market value amount shall be imputed). Any dispute over the fair market value shall be resolved in the first instance by the Accountants after consulting and meeting with representatives of both parties. In the event such dispute involves a disputed amount of \$10 million or more, each party shall have a right to appeal such resolution to the Special Master, who shall

review the dispute de novo, and whose decision shall be subject to appeal pursuant to Article XXII (Special Master), Section 2;

(5) Barter income, which shall be valued at 90% of the fair market value of the goods or services received;

(6) The value of equity instruments unconditionally received from third parties by the NFL or member Clubs (i.e., not equity instruments in business entities formed and owned exclusively by the NFL, NFL Ventures L.P. or any of its subsidiaries, or the member Clubs) derived from, relating to or arising out of the performance of players in NFL football games, net of the exercise price, if any, paid (whether in cash or by a reduction in the quantity of equity instruments to be received by the NFL or member Clubs) for acquiring such equity instruments. Reasonable determinations as to valuation, TR inclusion dates, and expense deductions (other than any exercise price) in respect of specific equity instruments shall be agreed upon in good faith between the NFL and Class Counsel and any Players Union in connection with each specific equity instrument so included, or, if such an agreement cannot be reached, shall be determined by the Accountants, whose decision shall be subject to appeal to the Special Master pursuant to Article XXII;

(7) Revenues received by a Club or Club Affiliate pursuant to a stadium lease or directly related stadium-use agreement with an unaffiliated third party, where the amount of such revenues is determined based upon activities that are unrelated to NFL football, in circumstances where the involved Club or Club Affiliate is not required to make a non-de minimis investment of capital or cash to receive such revenue (provided that the provisions of this Subsection (1)(a)(i)(7) shall not be retroactively applied to

include in TR revenues generated from non-football business opportunities arising out of leases or other stadium use agreements entered into prior to January 1, 1993, the financial terms of which have not been amended since such date; and further provided that the foregoing does not affect, and the parties have not reached agreement and reserve their respective positions on, the treatment of revenue arising from the acquisition by a Club or Club Affiliate of a right to develop real estate in proximity to a stadium, pursuant to a stadium lease or directly related stadium use agreement with an unaffiliated third party);

(8) Recoveries under business interruption insurance policies that are received by any League- or Club-related entity, to the extent that such recoveries compensate such entity for lost revenues that would have been included in TR. The amount of such recoveries shall be included in TR net of (1) premiums paid for the policy/policies recovered under in the League Year(s) that include the events and the recoveries; and (2) deductible and unreimbursed expenses arising out of or related to the events giving rise to the insurance claim/recovery. Any lump sum payments will be allocated under the method separately agreed to by the parties;

(9) Any expense reimbursements received by a Club or Club Affiliate from a governmental entity in connection with a stadium lease or a directly related stadium-use agreement, except as provided in Section 1(a)(ii)(F) below; and

(10) Proceeds from the sale or conveyance of any right to receive any of the revenues described above.

(ii) The following is a nonexclusive list of examples of revenues received by the NFL and/or NFL Teams which are not derived from, and do not relate to or arise out of the performance of players in NFL football games (and are therefore not "TR"):

(A) Proceeds from the assignment, sale or trade of Player Contracts, proceeds from the sale of any existing NFL franchise (or any interest therein) or the grant of NFL expansion franchises, dues or capital contributions received by the NFL (provided, however, that to the extent that there is put into place an incremental system for the NFL to recapture or to be repaid upon sale of a Club or Club Affiliate NFL contributions to stadium construction, as contemplated by Section 4(e)(v)(2) below, the incremental NFL recapture and/or receipts under such system shall not constitute TR, but shall give rise to incremental Player recapture or repayment of Project Credits as contemplated by Section 4(e)(v)(2)), fines, “revenue sharing” among NFL Teams, interest income, insurance recoveries (other than those net business interruption insurance recoveries that are described in Section 1(a)(i)(8) above), sales of interests in real estate and other property, and Club cheerleader revenues (provided that, if such cheerleader revenue is provided by an entity with which the Club has another commercial relationship, the Accountants will review the transactions and determine the appropriateness of any revenue allocations);

(B) Revenues generated from stadium events unrelated to NFL football (e.g., concerts, soccer games) in which the Club or a Club Affiliate makes a non-de minimis investment of capital or cash, and the value of, and revenues generated from, stadium-related businesses and/or opportunities unrelated to NFL football in which the Club or an affiliate must invest a non-de minimis amount of capital, cash, or effort to generate revenue (other than real estate development opportunities, which are subject to the reservation in Subsection 1(a)(i)(7) above);

(C) The value of promotional spots (e.g., television or radio spots) that are received from time to time by the NFL under national media contracts solely for its own use (either to promote the NFL's own football related businesses (and not the businesses of any other party), or for charitable purposes) and not for resale;

(D) Revenues derived from NFL Attractions (a joint venture that formerly included the NFL and St. Joe Corporation) from the operation of indoor NFL entertainment facilities, with entry rights separate from the stadium, which facilities do not permit the users thereof to view the live performance of players in NFL football games except by media available outside the stadium (except to the extent that revenues derived from NFL Attractions are addressed in the second sentence of Section 1(a)(i)(4) above). This exclusion shall apply so long as the business of NFL Attractions is conducted with a non-NFL third party that holds a non-de minimus interest and participates in the business of NFL Attractions. Each of the parties hereto reserves any positions it may have regarding whether any similar revenues derived from other sources are TR or non-TR;

(E) The value of complimentary or other no-charge tickets distributed by a Club, up to (but not in excess of) the following levels: (1) 1,700 tickets for each home regular season and preseason game, or (2) 1,250 tickets for each home regular season game and 3,500 tickets for each home preseason game;

(F) Specifically designated day-of-game expense reimbursements received by a Club or Club Affiliate from a governmental entity, where such reimbursements are for legitimate expenses that the Club or Club Affiliate has incurred that the governmental entity previously incurred (including in connection with the Club's

occupancy of a prior stadium, if the reimbursements arise out of the construction of a new stadium). This exclusion shall not apply to expense reimbursements received in connection with concession sales, operation of parking facilities, signage or advertising sales, or any other revenue generating activity at the stadium other than the conduct of the game itself (e.g., expense reimbursements for game-day security previously provided by the police, and post-game stadium clean-up previously provided by a municipality, are not treated as TR, if such reimbursement otherwise qualifies). All claims for this exclusion shall be supported by appropriate documentation evidencing the extent to which the Club or Club Affiliate incurred the designated day-of-game expense and the extent to which the governmental entity previously incurred the expense. The Parties have agreed that the day-of-game reimbursements received by the Buffalo Bills, Indianapolis Colts, Green Bay Packers, and Philadelphia Eagles shall be excluded as those arrangements existed as of March 8, 2006;

(G) Investments in or contributions toward the purchase of concession equipment by concessionaires on behalf of a Club or a Club's Stadium, and the value of provided elements related to the operation and maintenance of the soft drink equipment in the Club's Stadium (i.e., dispensing/vending equipment, service), subject to disclosure and Class Counsel and any Players Union review and approval of such arrangements; and

(H) The value of luxury boxes that are (1) used by a Club owner for personal purposes or to promote the Club or the owner's other business interests; or (2) provided to stadium authorities, municipalities, and/or governmental officials, or (3) used or made available for use by the owner(s) of the visiting Club, or (4) provided for the use of a Club head coach; in each case where no revenue is actually received by the Club or a

Club Affiliate, except that the value of such luxury boxes will be imputed as TR unless at least one luxury box in the stadium is available and unsold; provided that, in no event shall revenue be imputed for one luxury box that is used by the owner(s) of the Club, and one luxury box that is used or made available for use by the owner(s) of the Visiting Club. Without limiting the foregoing, the value of any luxury box that is provided to a former Club owner in connection with the sale of a Club shall be imputed into TR unless the prior owner is obliged to pay the club periodic consideration (i.e., annual rent) in connection with such use, in which case such consideration will be included as revenue in TR.

(iii) Notwithstanding any other provision of this Agreement, Class Counsel and any Players Union and the NFLMC may agree, on a case-by-case basis, with no limitation on their exercise of discretion, not to include in TR network television revenue to the extent that such revenue is used to fund the construction or renovation of a stadium that results in an increase in TR.

(iv) [Omitted]

(v) [Omitted]

(vi) It is acknowledged by the parties hereto that for purposes of determining

Total Revenues:

(1) NFL Teams may, during the term of this Agreement, be owned and controlled by persons or entities that will receive revenues for a grant of rights encompassing both (a) rights from the NFL Team so owned or controlled (the revenue from which is includable in Total Revenues) and (b) other rights owned or controlled by such persons or entities (the revenue from such other rights not being includable in Total

Revenues), and that, in such circumstances, allocations would therefore have to be made among the rights and revenues described in this Section 1(a); and

(2) NFL Teams may, during the term of this Agreement, receive revenue for the grant of rights to third parties which are owned or controlled by the persons or entities owning or controlling such NFL Teams (hereinafter "Related Entities"); and

(3) The reasonableness and includability in TR of such allocations and transactions between Related Entities shall be determined by the nationally recognized accounting firm jointly retained by the parties, in accordance with the procedures described in Section 10 below.

(vii) [Omitted]

(viii) For the purposes of any amounts to be calculated or used pursuant to this Agreement with respect to TR, Benefits, Player Costs, Projected TR, Projected Benefits, Required Tenders, Qualifying Offers, Minimum Salaries, Minimum Active/Inactive List Salaries, Team Salary, or Salary, such amounts shall be rounded to the nearest \$1,000.

(ix) [Omitted]

(x)(1) Without limiting the foregoing, except as specified in Subsections (x)(2) through (x)(7) below, TR shall include all revenues from Personal Seat Licenses ("PSLs") received by, or received by a third party and used, directly or indirectly, for the benefit of, the NFL or any Team or Team Affiliate, without any deduction for taxes or other expenses (but subject to the provisions of Appendix F.3, Section C, with respect to PSL refunds). Such revenues shall be allocated in equal portions, commencing in the League Year in which they are received, over the remaining life of the PSL, subject to a maximum allocation period of fifteen years; provided, however, that interest from the

League Year the revenues are received until the League Years the revenues are allocated into TR shall be imputed and included in TR, in equal portions over such periods, calculated on an annual compounded basis using the one-year Treasury Note rate published in The Wall Street Journal of February 1 during the League Year in which the revenues are received. Each equal portion of PSL revenues allocated into TR, plus an equal portion of the imputed interest specified above, shall be referred to as the "Maximum Annual Allocation Amount."

(x)(2) To the extent that PSL revenues are used to pay for the construction of a new stadium or for stadium renovation(s) that increase TR (regardless of whether the stadium is owned by a public authority or a private entity (including, but not limited to, the NFL, any Team or any Team Affiliate)), and if such PSL revenues have received a waiver of any applicable League requirement of sharing of "gross receipts," then such PSL revenues will not be included in a particular League Year in TR. Notwithstanding the foregoing, except where, subsequent to the 2005 League Year, Class Counsel and any Players Union have approved the exclusion of PSL revenues from TR in circumstances where the stadium is also supported by a Stadium Credit described in Section 4(e) below, the maximum exclusion of PSL revenues each League Year from TR shall be equal to any increase in TR that directly results from such stadium construction or renovation as calculated in Subsections (x)(3) through (x)(7) below.

(x)(3) Until the first full League Year the new stadium or the renovated facilities are put into service, the amount of PSL revenues excluded each League Year shall be equal to the Maximum Annual Allocation Amount. If the actual increase in TR directly resulting from such stadium construction or renovations during the first full League Year

in which such stadium or renovations are put into service (the “First Year PSL Increases”) is less than any Maximum Annual Allocation Amount for that League Year or any prior League Year (the “PSL Difference”), then the aggregate PSL Difference for every such League Year (assuming for purposes of calculating such PSL Difference, that the First Year PSL Increase had been received in each such League Year) shall be credited to TR in the immediately following League Year.

(x)(4) Commencing with the first full League Year the new stadium or the renovated facilities are put into service, the jointly retained Accountants (set forth in Article X, Section 10(a) below) shall determine the increase in TR that directly results each League Year from a stadium construction or renovation funded, in whole or in part, by PSL revenues. In the case of a new stadium, such calculation shall be made by comparing the TR directly generated by the old stadium during the last full League Year in which the old stadium was in service with the TR directly generated by the new stadium during the League Year in question. In the case of stadium renovations, such calculation shall be made by comparing the TR directly generated by those specific stadium facilities which are renovated, with the TR directly generated by those facilities prior to their renovation (where new facilities, such as completely new luxury suites or premium seats, are constructed, the TR directly generated by the facilities prior to their renovation would equal either zero, or the amount of TR directly generated by any facilities that were replaced by the renovation). If the NFL and Class Counsel and any Players Union agree that a renovation is substantial enough to increase revenues throughout the stadium (e.g., significant renovations throughout the stadium which enable the Club to attract more fans and/or increase ticket prices) then the Accountants

shall consider any increase in TR throughout the stadium (e.g., increased concession, parking or novelty revenues) as being directly generated by the renovation.

(x)(5) If the calculations set forth in (x)(4) above result in an exclusion of PSL revenues from TR that is less than the Maximum Annual Allocation Amount, the Accountants shall report the amount not excluded from TR as a "Carryover PSL Credit." Such Carryover PSL Credits, if any, shall be deducted from a Team's TR in the first future League Year in which the amount of TR directly generated by the new stadium or the renovated facilities exceeds the Maximum Annual Allocation Amount (the "PSL Excess"), but only up to the amount of the PSL Excess. Each dollar of Carryover PSL Credit may be deducted from a Team's TR only once, and only to the extent of any PSL Excess existing at the time of such deduction.

(x)(6) Any applicable deduction from TR for any expenses (i.e., interest, rent, taxes or depreciation) that are attributable to premium seats or luxury suites included in any new stadium or stadium renovation project funded, in whole or in part, by PSL revenues excluded from TR pursuant to Subsection (x)(2) above shall be reduced, in any League Year, by an amount equal to the result obtained by multiplying (a) the gross deduction for such expenses that would otherwise be available under this Agreement in respect of such League Year, by (b) a fraction, the numerator of which is (1) the total PSL revenues described in the first sentence of Subsection (x)(2), and the denominator of which is (2) the total costs for construction of the new stadium or renovations.

(x)(7) For purposes of this paragraph, the term "PSL" shall include any and all instruments of any nature, whether of temporary or permanent duration, that give the purchaser the right to acquire or retain tickets to NFL games and shall include, without

limitation, seat options; seat bonds; and suite bonds or long-term conveyances of suite occupancy rights where proceeds are segregated and unequivocally dedicated to stadium construction (e.g., Founders' Suite Programs) that directly or indirectly give purchasers the right to acquire NFL tickets, provided that Class Counsel and any Players Union shall have the unconditional right to review and determine whether any specific instruments relating to suites qualify as PSLs. PSL revenues shall also include revenues from any other device (e.g., periodic payments such as surcharges, loge maintenance fees, etc.) that the NFL and Class Counsel and any Players Union agree constitutes a PSL.

(x)(8) Notwithstanding the above or anything else in this Agreement, any exclusions of PSL revenue from TR in respect of PSLs first sold after the 2005 League Year shall be subject to approval by Class Counsel and any Players Union on a case-by-case basis.

(xi)(1) Notwithstanding Section 1(a)(i)-(iv) above, premium seat revenues that otherwise would be included in TR shall not be so included in a particular League Year to the extent that such revenues are used to pay for, or to pay financing costs for, the construction of a new stadium or for stadium renovation(s) that increase TR (regardless of whether the stadium is owned by a public authority or a private entity (including, but not limited to, the NFL, any Team or any Team Affiliate)), and if such revenues have received a waiver of any League requirement of sharing of "gross receipts." The maximum exclusion of premium seat revenue from TR each League Year shall be equal to any increase in TR that directly results from such stadium construction or renovation as calculated in Subsections (xi)(2) through (xi)(6) below.

(xi)(2) Until the first full League Year the new stadium or the renovated facilities are put into service, the amount of premium seat revenues excluded each League Year shall be equal to the amount that receives a waiver of any League requirement of sharing of gross receipts (the "Non-Shared Amount"). If the actual increase in TR during the first full League Year in which the new stadium or the renovated facilities are put into service (the "First Year Premium Seat Increase") is less than any Non-Shared Amount for that League Year or any prior League Year (the "Premium Seat Difference"), then the aggregate Premium Seat Difference for every such League Year (assuming for purposes of calculating such Premium Seat Difference that the First Year Premium Seat Increase had been received in each such League Year) shall be credited to TR in the immediately following League Year.

(xi)(3) Commencing with the first full League Year the new stadium or the renovated facilities are put into service, the jointly retained Accountants (set forth in Article X, Section 10(a) below) shall determine the increase in TR that directly results each League Year from the stadium construction or renovation funded, in whole or in part, with premium seat revenues. In the case of a new stadium, such calculation shall be made by comparing the TR directly generated by the old stadium during the last full League Year in which the old stadium was in service with the TR directly generated by the new stadium during the League Year in question. In the case of stadium renovations, such calculation shall be made by comparing the TR directly generated by those specific stadium facilities which are renovated, with the TR directly generated by those facilities prior to their renovation (where new facilities, such as completely new luxury suites or premium seats, are constructed, the TR directly generated by the facilities prior to their

renovation would equal either zero, or the amount of TR directly generated by any facilities that were replaced by the renovation). If the NFL and Class Counsel and any Players Union agree that a renovation is substantial enough to increase revenues throughout the stadium (e.g., significant renovations throughout the stadium which enable the Club to attract more fans and/or increase ticket prices) then the Accountants shall consider any increase in TR throughout the stadium (e.g., increased concession, parking or novelty revenues) as being directly generated by the renovation.

(xi)(4) If the calculations set forth in (x)(3) above result in an exclusion of premium seat revenues from TR that is less than the Non-Shared Amount, the Accountants shall report the amount not excluded from TR as a "Carryover Premium Seat Credit." Such Carryover Premium Seat Credits, if any, shall be deducted from a Team's TR in the first future League Year in which the amount of TR directly generated by the new stadium or the renovated facilities exceeds the Non-Shared Amount (the "Premium Seat Excess"), but only up to the amount of the Premium Seat Excess. Each Carryover Premium Seat Credit may be deducted from a Team's TR only once, and only to the extent of any Premium Seat Excess existing at the time of such deduction.

(xi)(5) Any applicable deduction from TR for any expenses (i.e., interest, rent, taxes or depreciation) that are attributable to premium seats or luxury suites included in any new stadium or stadium renovation project funded, in whole or in part, by premium seat revenues excluded from TR pursuant to Subsection (x)(1) above shall be reduced, in any League Year, by an amount equal to the result obtained by multiplying (a) the gross deduction for such expenses that would otherwise be available under this Agreement in respect of such League Year, by (b) a fraction, the numerator of which is (1) the total

premium seat Non-Shared Amount dedicated to funding the project during the allocation period, and (2) the denominator of which is the total costs for construction of the new stadium or renovations.

(xi)(6) For purposes of this paragraph, the term "Premium Seat Revenue" shall include revenue from any periodic charge in excess of the ticket price that is required to be paid to acquire or retain any ticket to NFL games (other than PSL revenues and charges for purchase or rental of luxury suites), including charges in respect of any amenities required to be purchased in connection with any ticket.

(xi)(7) Notwithstanding the above or anything else in this Agreement, any exclusions of Premium Seat Revenue from TR in respect of premium seat products first sold after the 2005 League Year shall be subject to approval by Class Counsel and any Players Union on a case-by-case basis.

(xi-a) Exclusions from TR of Premium Seat Revenue, and of PSL revenue as described in Subsection (x) above, in respect of funding for stadium projects approved after the 2005 League Year will terminate upon sale of the recipient franchise.

(xii) The parties may agree to allocate TR received or to be received on an accrual basis in a particular League Year over one or more other League Years.

(xiii) If one or more weeks of any NFL season are cancelled or TR for any League Year substantially decreases, in either case due to a terrorist or military action, natural disaster, or similar event, the parties shall engage in good faith negotiations to adjust the provisions of this Agreement with respect to the projection of TR and the Salary Cap for the following League Year so that TR for the following League Year is projected in a fair manner consistent with the changed revenue projection caused by such

action. In such circumstances, the parties agree to discuss in good faith the possibility of suspending the application of Article X, Section 4(c).

(xiv) Expense Deductions

(1) The only expense deductions permitted to be taken in calculating Total Revenue are:

(A) a set deduction of five percent (5%) of TR (which set deduction is already reflected in the amounts defining and percentages prescribing the Salary Cap in Section 4(a) below) which includes Youth Football, NFL Europe, Players Inc. payments, NFL Charities, all team operating and day-of-game expenses, and any other category of expenses not previously netted against specific revenues). Set 5% percentage for TR Cost Deduction (i.e., both ceiling and floor);

(B) the set deduction of one and eight-tenths percent (1.8%) of TR described in Section 4(e) below (which set deduction is already reflected in the amounts defining and percentages prescribing the Salary Cap in Section 4(a) below, and is intended to account for private contributions to stadium construction qualifying for support under the G-3 program or any similar successor program, as well as for stadium security expenses), the amount of which set deduction may be increased with the express approval of Class Counsel and any Players Union to up to two and three-tenths percent (2.3%) of TR if private contributions to stadium construction that are approved by Class Counsel and any Players Union shall so justify (i.e., up to an additional one-half of one percent (.5%) of TR may be deducted from the amounts defining and percentages prescribing the Salary Cap in Section 4(a) below, if approved by Class Counsel and any Players Union, as provided in Section 4(e) below);

(C) expense deductions allowed to be netted against related revenues before inclusion of such revenues in TR, as follows:

(i) with respect to Club revenue items set forth in Section 1(a)(i)(3) above, the deduction of only those direct expenses allowed by Class Counsel and any Players Union to be netted against specific revenues of the foregoing types prior to the 2006 League Year (see Appendix F.3 for a non-exclusive list of such deductions, and Section F of Appendix F.3 for the list of deductions applicable to Club Internet operations (including merchandise sales)) and any other deductions specifically approved by Class Counsel and any Players Union after the date hereof; and

(ii) with respect to NFL Ventures and/or its subsidiaries, only those expenses of NFL Ventures and/or its subsidiaries previously allowed by Class Counsel and any Players Union to be netted against specific revenue items of such entities prior to the 2006 League Year (see Appendix F.3 for a non-exclusive list of such deductions and Section F of Appendix F.3 for the list of deductions applicable to NFL Ventures Internet operations (including merchandise sales)), and any other deductions specifically approved by Class Counsel and any Players Union after the date hereof;

(D) expense deductions not referenced in Section 1(a)(xiv)(1)(C) above that were allowed by Class Counsel and any Players Union to be netted against related revenues before inclusion of such revenues in DGR or EDGR prior to the 2006 League Year, including but not limited to such deductions and exclusions relating to PSLs and premium seats as described in Subsections 1(a)(x)-(xi) above, for qualifying projects prior to the 2006 League Year (see Appendix N for examples as to the treatment of such PSLs), and such deductions as are set forth in Appendix F.3 (which provides a non-

exclusive list and descriptions of other deductions allowed by Class Counsel and any Players Union prior to the 2006 League Year);

(E) deductions for expenses on additional “new nets” subject to Class Counsel and any Players Union approval; and

(F) any other deductions specifically approved by Class Counsel and any Players Union after the 2005 League Year

(2) Otherwise allowable expenses may only be deducted against the revenues to which they directly relate, and only up to the amount of such directly related revenues. If the result of expense netting with respect to a particular revenue item is a negative number, the TR count for such revenue item shall be zero and such negative number may not be used for any purpose.

(b) **Benefits.** “Benefits” and “Player Benefit Costs” mean the aggregate for a League Year of all sums paid (or to be paid on a proper accrual basis for a League Year) by the NFL and all NFL Teams for, to, or on behalf of present or former NFL players, but only for:

(i) Pension funding, including the Bert Bell/Pete Rozelle NFL Player Retirement Plan (as described in Article XLVII of the Collective Bargaining Agreement) and the Second Career Savings Plan (as described in Article XLVIII of the CBA);

(ii) Group insurance programs, including, life, medical, and dental coverage (as described in Article XLIX of the CBA or as required by law), and the Supplemental Disability Plan (as described in Article LI of the CBA);

(iii) Injury protection (as described in Article XII of the CBA);

(iv) Workers' compensation, payroll, unemployment compensation, social security taxes, and contributions to the fund described in Article LIV, Section 4 of the Collective Bargaining Agreement;

(v) Preseason per diem amounts (as described in Sections 3 and 4 of Article XXXVII of the Collective Bargaining Agreement) and regular season meal allowances (as described in Article XXXIX of the CBA);

(vi) Expenses for travel, board and lodging for a player participating in an off-season workout program in accordance with Section 7(e)(iv)(3) below;

(vii) Payments or reimbursements made to players participating in a Club's Rookie Orientation Program (as described in Section 4(n) of Article V (Entering Player Pool) of this Agreement);

(viii) Moving and travel expenses (as described in Sections 2, 3, and 4 of Article XLI of the CBA Agreement, and Section 8 of Article XXXVII of the CBA);

(ix) Postseason pay (as described in Article XLII and Article XLIII of the CBA); and salary paid to practice squad players pursuant to a practice squad contract during the postseason, unless the practice squad player contract is executed or renegotiated after December 1 for more than the minimum practice squad salary, in which case all salary paid to such a practice squad player during the postseason will be counted as Salary.

(x) Player medical costs (i.e., fees to doctors, hospitals, and other health care providers, and the drugs and other medical cost of supplies, for the treatment of player injuries), but not including salaries of trainers or other Team personnel, or the cost of Team medical or training equipment (in addition, the amount of player medical costs

included in Benefits may not increase by more than ten percent (10%) each League Year). Subject to the foregoing, Player medical costs shall include one-third of each Club's expenses for tape used on players and one-third of each Club's player physical examination costs for signed players (player physical examination costs relating to the Combine or for Free Agents whom the Club does not sign are not included in Player Benefit Costs);

(xi) Severance pay (as described in Article L of the CBA);

(xii) The Player Annuity Program (as described in Article XLVIII-A of the CBA);

(xiii) The Minimum Salary Benefit (as described in Article VIII-B above);

(xiv) The Performance Based Pool (as described in Article VIII-C above);

(xv) The Tuition Assistance Plan (as described in Article XLVIII-B of the CBA);

(xvi) The NFL Players Health Reimbursement Account (as described in the CBA);

(xvii) The "88 Benefit" for former players suffering from dementia (as described in the CBA); and

(xviii) The NFL Player Benefits committee (as described in the CBA).

Without limitation on any other provision of this Agreement, Benefits will not include (1) salary reduction contributions elected by a player to the Second Career Savings Plan described in Article XLVIII of the Collective Bargaining Agreement; (2) any tax imposed on the NFL or NFL Clubs pursuant to section 4972 of the Internal Revenue Code for the Bert Bell/Pete Rozelle NFL Player Retirement Plan, and (3)

attorneys' fees, costs, or other legal expenses incurred by Clubs in connection with workers' compensation claims of players. Benefits for a League Year will be determined by adding together all payments made and amounts properly accrued by or on behalf of the NFL and all NFL Clubs for the above purposes during that League Year, except that Benefits for pension funding and the Second Career Savings Plan will be deemed to be made in a League Year for purposes of this Article if made in the Plan Year beginning in the same calendar year as the beginning of such League Year.

(c) **Salary.**

(i) "Salary" means the compensation in money, property, investments, loans or anything else of value to which an NFL player (including Rookie and Veteran players and players whose contracts have been terminated) or his Player Affiliate is entitled in accordance with a Player Contract, but not including Benefits. Salary with respect to any period shall include all Salary actually payable with respect to such period under the terms of a Player Contract and all Salary attributable to such period under the terms of this Agreement.

(ii) A player's Salary shall also include any and all consideration received by the player or his Player Affiliate, even if such consideration is ostensibly paid to the player for services other than football playing services, if the NFL can demonstrate before the Impartial Arbitrator that the consideration paid to the player or Player Affiliate for such nonfootball services does not represent a reasonable approximation of the fair market value of such services as performed by such player. The Impartial Arbitrator's determination may take into account, among other things: (1) any actual dollar amounts the player or Player Affiliate received for similar nonfootball playing services from an

independent third party; and (2) the percentage of total compensation for nonfootball services received from third parties versus the Team or Team Affiliate.

(iii) For purposes of this Article, Salary shall be computed pursuant to the additional rules below.

Section 2. Trigger for Guaranteed League-wide Salary, Salary Cap, and Minimum Team Salary:

(a) If in any League Year the total Player Costs for all NFL Teams equals or exceeds 56.074% of actual Total Revenues, there shall be a Guaranteed League-wide Salary, Salary Cap, and Minimum Team Salary in the amounts set forth below for the next League Year and all subsequent League Years, unless the Salary Cap is removed pursuant to Section 2(b) below. Notwithstanding the immediately preceding sentence, there will be no Guaranteed League-wide Salary, Salary Cap, or Minimum Team Salary in the Final League Year.

(b) If the total Player Costs of the NFL Teams during any League Year in which the Salary Cap is in effect falls below 46.868% of actual Total Revenues (before taking into account, and exclusive of, any Guaranteed League-wide Salary makeup payments pursuant to Section 3 below), then there shall be no Salary Cap for the next League Year or any succeeding League Year unless and until the Salary Cap again becomes effective in accordance with Section 2(a) above.

Section 3. Guaranteed League-wide Salary: In any League Year in which a Salary Cap is in effect, there shall be a Guaranteed League-wide Salary of 50% of Total Revenues. In

the event that the Player Costs for all NFL Teams during any League Year in which a Salary Cap is in effect are less than 50% of actual TR for such season, then, on or before April 15 of the next League Year, the NFL shall pay an amount equal to such deficiency directly to players who played on NFL Teams during such season pursuant to the reasonable allocation instructions of Class Counsel and any Players Union.

Section 4. Salary Cap Amounts:

(a) Subject to the adjustments and credits set forth below, the amount of the Salary Cap for each NFL Team in years that it is in effect shall be (1) in the 2006 League Year, \$102 million; (2) in the 2007 League Year, \$109 million; (3) in the 2008 League Year, 57.5% of Projected Total Revenues, less League-wide Projected Benefits, divided by the number of Teams playing in the NFL during such year; (4) in the 2009 League Year, 57.5% of Projected Total Revenues, less League-wide Projected Benefits, divided by the number of Teams playing in the NFL during such year; (5) in the 2010 League Year, 58% of Projected Total Revenues, less League-wide Projected Benefits, divided by the number of Teams playing in the NFL during such year; and (6) in the 2011 League Year, 58% of Projected Total Revenues, less League-wide Projected Benefits, divided by the number of Teams playing in the NFL during such year. Notwithstanding the preceding sentence or anything else in this Agreement, there shall be no Salary Cap in the Final League Year.

(b)(i) In the event that the Salary Cap amount for the 2006 League Year or the 2007 League Year differs from 57% of Total Revenues, less League-wide Benefits, divided by the number of Teams playing in the NFL during such year, the difference for

the 2006 League Year shall be credited or adjusted, as the case may be, in the calculation of the Salary Cap for the 2008 League Year, and the difference for the 2007 League Year shall be credited or adjusted, as the case may be, in the calculation of the Salary Cap for the 2009 League Year.

(ii) Upon receipt of the information set forth in Section 10(a)(i)(B) below, at the end of the League Year, the parties shall agree upon the amount of the Salary Cap, subject to the adjustments and credits set forth below, for each NFL Team for the Capped League Year, if any, following the next League Year. For example, the parties shall agree at the end of the 2006 League Year on the Salary Cap for the 2008 League Year.

(iii) Wherever the parties have agreed that a difference in the Salary Cap is to be carried over into a future League Year (e.g., Article X, Section 10(a)(ii)), if the number of Clubs in the NFL changes from the League Year in which the Salary Cap difference originated to the League Year in which it will be applied, the amount of the difference will be adjusted to reflect the different number of Clubs in the NFL.

(c) The actual dollar amount of the Salary Cap shall not be less than the actual dollar amount of any Salary Cap in effect during the preceding League Year, provided, however, that at no time shall the Projected Benefits, plus the amount of the Salary Cap multiplied by the number of Teams in the NFL, exceed 61.68% of Projected TR. *See* Appendix O.

(d) **Adjustment Mechanism**

(i) An Adjustment (“Adjustment”) will be triggered if, during any Capped League Year, League-wide Cash Player Costs exceed or fall below the TR Trigger Percentage for that League Year multiplied by Total Revenues for that League Year (the

“Trigger”). The differences shall be defined as the “League Excess” and “League Shortfall,” respectively.

(ii) At the end of each League Year, a determination shall be made as to whether an Adjustment with respect to that League Year has been triggered, and if so, its amount and allocation into future League Years.

(iii) The “TR Trigger Percentage” shall be 59% in the 2006 and 2007 League Years, 59.5% in the 2008 and 2009 League Years, and 60% in the 2010 and 2011 League Years.

(iv) “Cash Player Costs” for purposes of this Subsection is the sum of Cash Salary (as defined by Section 4(d)(ix) below), Performance Based Pay, Minimum Salary Benefit, and all costs committed to be spent in that League Year for other Player Benefits.

(v) “Club Excess” is the amount by which a Club’s Cash Player Costs exceed the TR Trigger Percentage multiplied by TR divided by the number of Clubs in the League during the year in which such excess occurs.

(vi) “Accrued League Excess” is the total of all League Excesses from prior League Years that have not been offset by a League Shortfall.

(vii) If an Adjustment is triggered by a League Shortfall in any League Year, such amount shall first be reduced by any remaining Accrued League Excess and any remaining balance shall result in a pro rata deduction from each Club’s Team Salary, allocated equally among the remaining League Years that may be Capped Years under this Agreement.

(viii) If an Adjustment is triggered by a League Excess in any League Year, a pro rata share of the League Excess for that League Year shall first be applied to each Club to offset any remaining Team Salary “deductions” that previously arose from any League Shortfall (with such deductions applied first to earlier Capped Years if the amount of Excess to be applied is less than the remaining “deductions” from prior League Years); if after all such Club offsets have been deducted from the League Excess, there remains a positive number in the League Excess on a League-wide basis, such number shall become the Accrued League Excess for that League Year. The League Excess (not the Accrued League Excess) shall also be a “charge” to the Team Salary of the Clubs with a Club Excess for that League Year. Each such Club will bear its proportionate share of the League Excess, the proportion to be determined by reference to each Club’s share of the sum of the Club Excesses of the affected Clubs, with such proportionate share allocated equally among the remaining League Years that may be Capped Years under this Agreement; such charge to Clubs with such a Club Excess for that League Year shall be in addition to, and not in lieu of, the League-wide Shortfall adjustment.

(ix) “Cash Salary” for purposes of this subparagraph is the sum of total Paragraph 5 amounts earned by players (applying the valuation rules which apply to deferred salary specified in Section 7(a)(ii)), signing bonus amounts paid or committed (including amounts treated as signing bonus pursuant to this Agreement) (applying to signing bonuses the valuation rules that apply to deferred salary specified in Section 7(a)(ii) below), incentives that have been earned and paid, or earned and committed to be paid to players (applying the valuation rules which apply to deferred salary specified in Section 7(a)(ii)), grievances settled, termination pay for which a player is eligible, injury

settlements, Salary advances that were not included in Paragraph 5, and anything else paid or provided to players during that League Year that would be valued under the Salary Cap (e.g., the fair market value of automobiles gifted to players).

(x) An illustration of the operation of the Adjustment Mechanism described in this Section 4(d) is set forth in Appendix P.

(xi) If this Agreement is terminated early, there shall be no acceleration of any outstanding credits or charges.

(e) **Stadium Credit**

(i) A Stadium Credit of 1.8% of TR is already reflected in the amounts defining and percentages prescribing the Salary Cap in Section 4(a) above (i.e., \$102 million in the 2006 League Year, \$109 million in the 2007 League Year, 57.5% of TR in the 2008 and 2009 League Years, and 58% of TR in the 2010 and 2011 League Years). If a Stadium Credit greater than 1.8% of TR in a League Year results from the sum of (a) Project Credits in respect of new G-3 stadium projects and amounts approved by Class Counsel and any Players Union after the 2005 League Year, (b) combined Project Credits in respect of previously approved G-3 stadium projects, (c) any banked credits that may be applied in that League Year as provided below, and (d) the Security Credit, then the excess over 1.8% of TR, up to a maximum of an additional one-half of one percent (0.5%) of TR (i.e., up to a maximum of 2.3% of TR), will be deducted from the calculation of the Salary Cap.

(ii) For purposes of calculating the Stadium Credit:

(a) the Annual League-wide security cost credit (the "Security Credit") shall be the greater of (1) \$8 million increased at the rate of five percent (5%) each League

Year subsequent to the 2006 League Year provided that, if as a result of the increase, the Stadium Credit exceeds 1.8% of TR, the Security Credit for that League Year shall be reduced to equal the difference between the sum of 1.8% of TR plus the “bank” then-existing, if any, minus the Project Credits for that League Year, or (2) any larger amount specifically approved by Class Counsel and any Players Union;

(b) the term “G-3” shall mean any League stadium construction support program involving League loans or cash contributions to, or investments in, stadium construction projects (including but not limited to the program established by 1999 NFL Resolution G-3 and extended by 2003 NFL Resolution JC-1), but shall not include any League stadium construction support program involving temporary exemptions from NFL sharing rules of particular revenue streams;

(c) the Salary Cap credit counted towards the Stadium Credit in respect of G-3 projects approved and first funded after the 2005 League Year shall be 50% of the Annual Amortization Amount in respect of such stadium, with no cap on the amount of such Salary Cap credit as long as the amounts have been expressly approved by Class Counsel and any Players Union;

(d) the Salary Cap credit counted towards the Stadium Credit in respect of G-3 projects approved and first funded in or before the 2005 League Year shall be 50% of the Annual Amortization Amount in respect of up to \$300 million (present value) in qualifying private contribution to the construction of such stadium (the credits defined in Subsections (c) and (d) are hereinafter referred to as the “Project Credits”);

(e) the “Annual Amortization Amount” for each G-3 stadium shall be the amortization charge for that year in respect of all qualifying private contributions to

construction of such G-3 stadium project, calculated (1) over a 15-year period (or less if a shorter amortization period is used) (the "G-3 Amortization Period"), and (2) with interest at an agreed-upon rate based on the NFL's long-term borrowing cost to fund stadium construction support provided in the first year in which such support was provided to such project.

(iii) If in any Capped Year prior to the Final Capped Year, the sum of that year's Project Credits and Security Credit (the "Actual Annual Credit") is less than the full base amount of the Stadium Credit (i.e., 1.8%), the difference between such base Stadium Credit and such Actual Annual Credit ("banked credits") will be "banked" and available for use (and shall be the first credits used, before any incremental Stadium Credits in excess of 1.8% that may be granted by Class Counsel and any Players Union are used) to offset future years' Actual Annual Credits to the extent such Actual Annual Credits exceed the 1.8% set deduction in any League Year; provided that such banked credits will not be available without Class Counsel and any Players Union's express approval to offset Actual Annual Credits in excess of 2.3% of TR in any such League Year. To the extent that the "bank" is not fully eliminated by application to subsequent Actual Annual Credits, each Club shall receive a deduction from its Team Salary in the Last Capped Year equal to its pro rata share of the unused portion of the "bank" (which deduction from Team Salary shall create additional Room for each Club).

(iv) If a franchise that received G-3 funding approval is sold during its G-3 Amortization Period, the Project Credit in respect of that franchise will cease (provided that Project Credits in respect of the year the franchise sale is closed will be pro-rated and

will cease only as of the closing date of the sale) and the Actual Annual Credit will accordingly be reduced.

(v)(1) The termination of future Project Credits will be the only mechanism by which Class Counsel and Players Union support for G-3 projects is adjusted in the event of Club sales for so long as the NFL's only repayment requirement/recapture mechanism in respect of sales of G-3 recipient Clubs is payment to the NFL of the "unamortized balance" of such franchise's G-3 support (calculating such unamortized balance over 15 years on a straight-line basis) plus (a) interest adjustments (if any), (b) any deficiencies in respect of Club guarantees of revenues that are dedicated to and applied to repay League-level borrowings to fund the G-3 support given to the Club, and (c) compensation to other Clubs for stadium credits against the Salary Cap and/or PSL exclusions from TR lost to the League as a result of the sale.

(2) If the NFL imposes any incremental repayment requirement or recapture mechanism in respect of G-3, PSL, or premium seat support that is applicable when recipient franchises are sold, the NFLMC and Class Counsel and any Players Union will negotiate in good faith an equitable adjustment mechanism in respect of payments made to the NFL in connection with the sale of such recipient franchises, with the objective of providing to players recapture or repayment of Project Credits on a basis comparable in nature, as well as proportionate in amount, to the NFL's incremental recapture or receipt of repayment in respect of G-3, PSL, and/or premium seat support. If the parties are unable to agree, the Special Master shall determine the amount or mechanism to be used for an equitable adjustment.

(vi) Project Credits in respect of G-3 funding first advanced after the 2005 League Year will begin to count towards the Stadium Credit in the League Year prior to the scheduled opening of the new stadium.

(vii) There will be no limit on the Project Credit for any individual project approved and first funded after the 2005 League Year, but the qualifying private contributions to the Project Credit, and the resulting Annual Amortization Amount, in respect of each project will be subject to Class Counsel and any Players Union approval prior to the initial NFL support funding for such project. Also, in furtherance (and not in limitation) of Section 1(a)(x)(8) above, any proposal for exclusion of PSL or premium seat revenue from TR in respect of PSLs or premium seats to be sold in connection with any stadium receiving G-3 support (and seeking Project Credits in respect of such support) shall be subject to approval by Class Counsel and any Players Union on a case-by-case basis, and all such PSL or premium seat revenue shall be included in TR in the absence of express Class Counsel and any Players Union approval.

(viii) The definition of stadium construction costs used by the NFL as of the end of the 2005 League Year (which has been provided to Class Counsel and the NFLPA) to determine the amount of G-3 funds to be advanced to Clubs will be used to calculate the Stadium Credit, except that the capitalized value of rent paid to a third-party (i.e., unaffiliated) landlord in excess of a \$2 million annual deductible that is deemed under such NFL definition to be a capital investment will be considered a capital investment for Stadium Credit purposes and will give rise to a Stadium Credit only if (1) a Club commits to pay such excess rent pursuant to documents entered into in connection with, but in advance of commencement of construction on, a stadium construction project; (2) the

landlord will be providing bond funding for stadium construction pursuant to such documents; (3) the landlord's bond funding is used for costs that are "qualifying project costs" under the G-3 program; and (4) the bond funding is greater than the amount of the rent deducted. Class Counsel and any Players Union have the right to review stadium project spending independently to verify that the G-3 stadium construction cost definition has been properly applied, with any disputes subject to review by the Special Master pursuant to Article XXII.

(ix) Total TR must increase as a result of each G-3 project, after all TR deductions resulting from the project are counted.

(x) Notwithstanding anything else in this Agreement, if a Club and/or Club owner owns a stadium constructed with G-3 funding, then revenues derived from non-football events/operations at the stadium are first deemed to be applied to cover non-football operating costs, then to cover general stadium overhead and operating costs (excluding NFL event game day costs). The amount of any excess non-football event revenues remaining after such subtractions will be applied to reduce the outstanding "private contribution" towards the stadium project, thus producing a corresponding 50% reduction in the Salary Cap deduction in respect of the G-3 Project. (Example: Team-owned stadium has \$10 million in gross concert income, direct concert costs of \$2 million, and stadium overhead of \$4 million. \$4 million in net concert income is applied to reduce the outstanding "private contribution" in respect of the stadium project, which will result in a lower Salary Cap deduction amount.) If the amount of the "private contribution" has been fully amortized, revenues from non-football events/operations for such stadium will not constitute Total Revenues.

(xi) PSL/premium seat deductions from TR are not available for any G-3 stadium project approved and first funded before the 2006 League Year. As to any G-3 stadium project (including projects approved and first funded before the 2006 League Year), (a) no deductions from TR are available for naming rights revenues (to the extent received by or on behalf of a Club or Club Affiliate) that are used for the construction or renovation of such stadiums, but such revenues (if so used) shall constitute private contributions to the project for purposes of calculating the private contribution thereto (which will give rise to Project Credits to the extent such credits are approved by Class Counsel and any Players Union); and (b) there shall be no deduction in any League Year through the 2008 League Year for depreciation as to luxury boxes in any stadium for which a Stadium Credit is given (the parties reserve their respective rights and positions with respect to depreciation for luxury boxes thereafter). As to any G-3 stadium project approved and first funded after the 2006 League Year, all deductions from Total Revenues or otherwise in the calculation of the Salary Cap with respect to such stadium will be subject to approval by Class Counsel and any Players Union, in order for the project to qualify under this Subsection (e).

Section 5. Minimum Team Salary:

(a) For the 2006 League Year, there shall be a guaranteed Minimum Team Salary of 84% of the Salary Cap. For each subsequent Capped Year, the percentage set forth in the prior sentence shall increase 1.2%, but in no event shall the percentage be greater than 90%. For example, in the 2008 League Year, there shall be a guaranteed Minimum Team Salary of 86.4 % of the Salary Cap. Each Team shall be required to have

a Team Salary of at least the Minimum Team Salary at the end of each Capped Year.

There shall be no Minimum Team Salary in the Final League Year.

(b) Nothing contained herein shall preclude a Team from having a Team Salary in excess of the Minimum Team Salary, provided it does not exceed the Salary Cap.

(c) Any shortfall in the Minimum Team Salary at the end of a League Year shall be paid, on or before April 15 of the next League Year, by the Teams having such shortfall, directly to the players who were on such Teams' roster at any time during the season, pursuant to reasonable allocation instructions of Class Counsel and any Players Union.

(d) If the NFL agrees, or a judgment or award is entered by the Special Master, that a Team has failed by the end of the then current League Year to make the payments required to satisfy a Team's obligations to pay the Minimum Team Salary required by this Agreement, then, in the event the Team fails promptly to comply with such agreement, judgment or award, the NFL shall make such payment on behalf of that Team (such funds to be paid as salary directly to the players on such Team at the direction of and pursuant to the reasonable allocation instructions of Class Counsel and any Players Union).

Section 6. Computation of Team Salary: During any League Year in which the Salary Cap is in effect, all of the following amounts shall be included every day in determining a Team's Team Salary:

(a) **Player Contracts.** Subject to the rules below in Section 7 of this Article, all amounts the Team has paid or is obligated to pay as set forth in all Player Contracts of current and former players covering a particular League Year, including exercised, options, shall be included in Team Salary.

(b) **Tenders.**

(i) Drafted Rookies' Salaries shall be tendered automatically at the Rookie Minimum Active List Salary as of the day of the Draft and shall be included in Team Salary until (1) the player is signed, (2) the Team's rights are relinquished through waivers, or (3) the Tuesday following the tenth week of the regular season (if the player is unsigned).

(ii) For players with less than three Accrued Seasons whose contracts have expired, the Minimum Active List Salary will be included in Team Salary when tendered until the player is signed, or the Team's rights are relinquished.

(iii) For players who are Restricted Free Agents, the Qualifying Offer will be included in Team Salary when tendered until the player is signed, the Qualifying Offer is withdrawn, or a "June 1 tender" (which may be made on or before June 1) is made. If the player is unsigned and the Team makes a June 1 tender or June 15 tender, such tender will be included until the player is signed, the Team's rights are relinquished, or the Tuesday following the tenth week of the regular season (if the player is unsigned).

(iv) For players who are Unrestricted Free Agents, the June 1 tender, if made, will be included in Team Salary as of July 15 and thereafter until the player is signed, the tender is withdrawn, the Team's rights are relinquished or extinguished, or the Tuesday following the tenth week of the regular season (if the player is unsigned).

(v) For Transition Players and Franchise Players, the tender will be included in Team Salary when made until the player is signed, the tender is withdrawn, the Team's rights are relinquished, or the Tuesday following the tenth game of the regular season (if the player is unsigned).

(vi) All Offer Sheets will be included in Team Salary when tendered until the player is signed to a Player Contract by any NFL Team, or the Offer Sheet is withdrawn.

(c) **Practice Squad Contracts.** Any Practice Squad contract Salaries shall be included in Team Salary except to the extent otherwise provided in Article XXXIV, Section 5 of the Collective Bargaining Agreement.

(d) **Termination Pay.** Any type of Termination Pay liability will be included in Team Salary at the time the player is released, except to the extent the Team is relieved of any such liability.

(e) **Grievances.** When a player salary grievance is filed against a Team, 50% of the amount claimed (or, for a player whose contract qualifies under Article VIII-B (Minimum Salary Benefit), 50% of the player's Salary Cap count, prorated to reflect the number of weeks remaining in the regular season) will be counted in Team Salary until the grievance is resolved or until the end of the League Year, whichever comes first; at the end of the League Year, if any grievances have been settled or awards have been made, if the net total grievance amounts paid by the Team are more than the original 50% attributions and put the Team over the Salary Cap, the excess will be deducted from the Team's Salary Cap in the following League Year; if the net total grievance amounts paid are less than the original 50% attributions and the Team finishes the season at the Salary Cap or below the Salary Cap by less than the amount of the unawarded attributions, the

difference will be added to the Team's Salary Cap for the following League Year. If an award or settlement is made for a grievance in a League Year after the grievance was filed, and the grievance amount paid is more than the original 50% attribution, the excess shall be included in Team Salary when paid; if the grievance amount is less than the original 50% attribution, the difference shall be deducted from Team Salary when the award is made.

(f) **Expansion Bonuses.** Except as set forth in Article XXXI (Expansion) of the Collective Bargaining Agreement, any expansion bonuses paid to players shall be included in Team Salary.

(g) **Other Amounts.** Any other Salary not listed above paid to players shall be included in Team Salary.

Section 7. Valuation of Player Contracts: Notwithstanding any provision in a Player Contract to the contrary or when such payments are actually made, the following rules shall apply in determining the amount of a player's Salary that is to be included in Team Salary in a particular League Year for purposes of the Salary Cap:

(a) **Paragraph 5.**

(i) The highest applicable Salary set forth in Paragraph 5 of the NFL Player Contract shall be included in Team Salary in the year earned, except that, between March 1 and the first day of the regular playing season, only the following amounts from Paragraph 5 shall be included for players whose Player Contracts are not among the Team's 51 highest valued Player Contracts, tenders and Offer Sheets (as determined under this Section 7):

(1) Any amount that exceeds the Minimum Active/Inactive List Salary for Undrafted Rookie Free Agents; and

(2) Any amount that exceeds twice the applicable Minimum Active/Inactive List Salary for all other players.

(ii) **Deferred Salary.** Any Paragraph 5 Salary to be earned in a particular year but not to be paid until after the next League Year shall be considered “Deferred Salary” and will be included in Team Salary during the League Year earned at its present value based on the one-year Treasury Note rate published in The Wall Street Journal on February 1 in the year earned. Salary to be paid any time before the end of the League Year after it is earned shall not be considered Deferred Salary and will be included fully in the Team’s Salary during the year earned.

(b) **Signing Bonuses.**

(i) **Proration.** The total amount of any signing bonus shall be prorated over the term of the Player Contract (on a straight-line basis, unless subject to acceleration or some other treatment as provided in this Agreement), with a maximum proration of six years, in determining Team and Player Salary, except that:

(1) Maximum proration shall be five years (a) for contracts entered into during the period after the last regular season game of the 2005 League Year through the last regular season game of the 2006 League Year and (b) for contracts entered into during the period after the last regular season game of the League Year preceding the Final Capped Year through the end of the Final Capped Year. For purposes of this Subsection 7(b)(i)(1) only, a renegotiation or extension of a Player Contract shall be treated as a new Player Contract.

(2) Any contract year in which the player has the right to terminate based upon events within his sole control shall not be counted as a contract year for purposes of proration. In the event the NFL and Class Counsel and any Players Union cannot agree upon whether an option is within the player's sole control, such issue shall be resolved by the Impartial Arbitrator.

(3) With respect to the proration of signing bonuses for Player Contracts entered into by Rookie players in which the player has the right to terminate based solely upon reporting, making the roster and/or playtime, such conduct shall automatically be deemed "within his sole control" unless the exercise of the right to terminate is also conditioned upon the following playtime requirements: (1) for players drafted in the first round, at least 35% of the plays if the triggering condition occurs in the first year of the Player Contract, and at least 45% of the plays if in any subsequent year; (2) for all other Rookie players, at least 15% of the plays if the condition occurs in the first year of the Player Contract, and at least 30% of the plays if in any subsequent year. The playtime requirements set forth above do not affect the signing bonus allocation for any contract entered into by players other than Rookies.

(4) For any multiyear Player Contract entered into in a Capped Year prior to the last Capped Year that extends into any Uncapped Year, if (i) the sum of the player's Paragraph 5 Salary, roster bonuses that are based upon the player making any of the Club's roster categories without limitation, and reporting bonuses during all Capped Years of the Contract (but, if there are fewer than three remaining Capped Years, during the first three years of the Contract) is in the aggregate less than (ii) the portion of the Contract's signing bonus that would be allocated to those League Years if the signing

bonus were prorated equally over the term of the Contract, then: the difference between the amounts calculated pursuant to (ii) and (i) of this sentence, up to 50% of the portion of the signing bonus that would otherwise be allocated to the Uncapped Years (the “Difference”), shall be deducted in equal portions from those Uncapped Years and reallocated in equal portions over the Capped Years of the Contract (or, if there are fewer than three Capped Years within the term of the Contract, over the first three years of the Contract). For purposes of this Subsection only, a renegotiation shall be treated as if it is an entirely new Player Contract.

(5) [Omitted]

(6) [Omitted]

(7) If a Player Contract provides for an increase in Salary upon the assignment of such contract to another NFL Team, such increase shall be included in the player’s Salary upon such assignment and be attributable to the Team paying the bonus.

(8) Any signing bonus given in connection with a contract extension entered into before the expiration of the player’s existing contract will be prorated over the remaining years of the unexpired contract together with its extension. The player shall receive such a signing bonus at the time that the extension is executed, unless the player expressly agrees in the contract to defer payment of the extension bonus, in which case only the present value of the deferred payment, calculated in accordance with the method set forth in Article X, Section 7(a)(ii) above, shall be prorated (unless the extension is executed within one year of the execution of the contract being extended, in which case the gross amount of the extension bonus shall be prorated).

(ii) **Acceleration.**

(1) For any player removed from the Team's roster, or whose Contract is assigned to another Club via waivers or trade, on or before June 1 in any League Year prior to the Final Capped Year, or at any time during the Final Capped Year, any unamortized signing bonus amounts will be included in Team Salary for such League Year, except that for each League Year preceding the Final Capped Year, each Club may designate up to two Player Contracts that, if terminated on or prior to June 1 and if not renegotiated after the last regular season game of the prior League Year, shall be treated (except to the extent prescribed by Section 7(d)(iii) below) as if terminated on June 2, i.e., the Salary Cap charge for each such contract will remain in the Club's Team Salary until June 2, at which time its Paragraph 5 Salary and any unearned LTBE incentives will no longer be counted and any unamortized signing bonus will be treated as set forth in Subsection (2) below. If acceleration puts a Team over the Salary Cap, the Team will have seven days to conform with the Salary Cap, but may not sign any players until there is Room to do so under the Salary Cap.

(2) For any player removed from the Team's roster or whose Contract is assigned via waivers or trade after June 1, except in the Final Capped Year, any unamortized signing bonus amounts for future years will be included fully in Team Salary at the start of the next League Year.

(3) In the event that a player who has had a signing bonus allocated over the years of his Player Contract is traded, or whose Contract is assigned to another team pursuant to the NFL's waiver procedure, the Team Salary of the player's new team will not include any portion of the signing bonus.

(4) Any contract year that the player has the right to terminate based upon a contingency shall count as a contract year for purposes of proration until the contingency is fulfilled, at which time any amounts attributed to such year shall be accelerated and included immediately in Team Salary (notwithstanding the foregoing, if the player has one or more rights to terminate based upon one or more not “likely to be earned” incentives and the player also being on the roster at a subsequent time, no acceleration shall occur until both the incentive(s) and the roster precondition(s) have been satisfied). To the extent that such acceleration puts the Team over its Salary Cap in a League Year prior to the Final Capped Year, the difference shall be deducted from its Salary Cap for the following year; to the extent that such acceleration puts the Team over the Salary Cap in the Final Capped Year, the Team will have seven days to conform with the Salary Cap, but may not sign any players until there is Room to do so under the Salary Cap.

(5) The unamortized portion of any signing bonus contained in an NFL Player Contract that is renegotiated to reduce the number of years of such Player Contract shall be included, to the extent attributable to such reduced year or years, in Team Salary at the time of the renegotiation.

(iii) [Omitted]

(iv) **Amounts Treated as Signing Bonuses.** For purposes of determining Team Salary under the foregoing, the term “signing bonus” shall include:

- (1) Any amount specifically described in a Player Contract as a signing bonus;
- (2) Any guaranteed reporting bonus;

- (3) Any consideration, when paid, or guaranteed, for option years, contract extensions, contract modifications, or individually negotiated rights of first refusal;
- (4) Any option buyout amount, when paid or guaranteed;
- (5) The difference between the Salary in the second contract year and the first contract year when Salary in the second contract year is less than half the Salary called for in the first year of such Contract;
- (6) Any reporting bonus in the season of signing when a contract is signed after the start of training camp;
- (7) Any roster bonus in the season of signing when a contract is signed after the last preseason game;
- (8) Any salary advance paid on a guaranteed basis;
- (9) Any guaranteed bonus tied to workouts;
- (10) Any salary advance which a player is not obligated to repay;
- (11) In a Player Contract executed after September 28, 2005, any amount of a Salary advance, off-season workout bonus, off-season roster bonus, or off-season reporting bonus that is guaranteed for skill, injury and Salary Cap terminations, on a non-contingent basis for all of the guarantees. (Notwithstanding Subsections (8)-(9) above, a Salary advance, off-season workout bonus, off-season roster bonus, or off-season reporting bonus that is guaranteed for skill, injury and Salary Cap terminations, but on a contingent basis for any of the potential guarantees, shall be included in Team Salary only in the League Year in which the bonus is earned by the player; e.g., in the case of an off-season roster bonus, in the League Year in which the player is required to be on the

roster to earn the bonus. The rules set forth in this Subsection (11) shall not affect Salary Cap accounting for any other purpose.);

(12) In a Player Contract, or any renegotiation or extension of a Player Contract, that is executed in the Final Capped Year, each of the following, if it is to be earned or paid to the player in the Final League Year (which is an Uncapped Year): (a) any Salary advance which the player is not and cannot be obligated to repay; (b) any off-season workout bonus that is contingent upon the player's participation in less than 32 days of the Club's off-season workout program; (c) any off-season roster bonus; and (d) any off-season reporting bonus;

(13) In a Player Contract executed on or before September 28, 2005, any Paragraph 5 Salary which was guaranteed for 2006 or earlier and treated as a signing bonus on or before September 28, 2005;

(14) In a Player Contract executed on or before September 28, 2005, any Paragraph 5 Salary which was guaranteed for 2007 or later and treated as a signing bonus on or before September 28, 2005, in which case any allocation to 2005 or earlier shall remain as is, and any allocation to 2006 or later shall be reallocated to occur entirely in the year(s) of the guarantee(s);

(15) In a Player Contract executed on or before September 28, 2005, any roster bonus or Paragraph 5 Salary that the Club had the right to guarantee for skill, when the Club subsequently exercises the right to guarantee such bonus or Paragraph 5 Salary for skill;

(16) Any bonus to be paid to a player solely for fulfilling his obligations to play under his Player Contract without seeking to renegotiate and/or "holding out" (i.e., a

“completion bonus”), and which bonus is otherwise guaranteed for skill and injury, except that the amount of any such completion bonus shall be calculated at its present value, computed at the one-year Treasury Note rate published in The Wall Street Journal on February 1 of the League Year in which the Player Contract is executed. Further, if any event occurs which extinguishes the player’s right to receive such completion bonus, any amount of the bonus that has previously been included in Team Salary shall be immediately added to the Team’s Salary Cap for the current League Year, if such event occurs prior to June 1, or for the next League Year, if such event occurs after such date, with the remainder of the bonus that has been allocated to Team Salary for future League Years immediately extinguished.

(17) Any relocation bonus which is individually negotiated between a player and a Club; and

(18) Any increase in a player’s Salary for the current League Year that occurs as a result of the renegotiation or extension of the player’s Contract in that League Year, if the NFL Management Council does not receive notice of the salary terms of such an executed extended or renegotiated contract prior to 4:00 p.m. (New York Time) on the Monday of the tenth week of the regular season. The then-existing provisions of the CBA will govern the Salary Cap valuation of such a renegotiation or extension in the Final Capped Year. The parties have reserved their respective positions regarding the CBA’s requirements for any such renegotiation or extension in the Final Capped Year.

Notwithstanding the above provisions or anything else in this Agreement, but subject to Section 7(d) below, any guaranteed Paragraph 5 Salary in a Player Contract executed after September 28, 2005, including but not limited to renegotiations or

extensions of pre-existing Player Contracts, will not be treated as a signing bonus solely on the basis of the guarantee.

(v) **Credit for Signing Bonuses Refunded.** In the event that a Team receives a refund from the player of any previously paid portion of a signing bonus, or the Team fails to pay any previously allocated portion of a signing bonus, such amount as has previously been included in Team Salary shall be added to the Team's Salary Cap for the next League Year. For purposes of this Subsection, to the extent that they constitute reimbursement for previously paid signing bonus, insurance proceeds received by a Team as beneficiary to cover the player's inability to perform services required by his Player Contract shall be deemed a "refund from the player" if (a) the Club or the player purchased the policy (b) the amounts covered by the policy are so specified in the Player Contract; and (c) the policy is made available for inspection upon request by the Management Council or Class Counsel and any Players Union.

(c) **Incentives.**

(i) Any and all incentive amounts, including but not limited to performance bonuses, shall be included in Team Salary if they are "likely to be earned" during such League Year based upon the player's and/or Team's performance during the prior year. In the case of a Rookie, or a Veteran who did not play during the prior season, in the event that the NFL and Class Counsel and any Players Union cannot agree as to whether such performance bonus is "likely to be earned," such disputes shall be referred to the Impartial Arbitrator. Any incentive within the sole control of the player (e.g., non-guaranteed reporting bonuses, off-season workout and weight bonuses) shall be deemed "likely to be earned."

(ii) At the end of a season, if performance bonuses actually earned resulted in a Team's paying Salary in excess of the Salary Cap, then the amount by which the Team exceeded the Salary Cap as a result of such actually paid performance bonuses shall be subtracted from the Team's Salary Cap for the next League Year.

(iii) At the end of a season, if performance bonuses previously included in a Team's Team Salary but not actually earned exceed performance bonuses actually earned but not previously included in Team Salary, an amount shall be added to the Team's Salary Cap for the next League Year equaling the amount, if any, by which such overage exceeds the Team's Room under the Salary Cap at the end of a season.

(iv) Any team performance will be automatically deemed to be "Likely to be earned" if the Team met or exceeded the specified performance during the prior League Year, and will be automatically deemed to be "not likely to be earned" if the Team did not meet the specified performance during the prior League Year.

(v) Any incentive bonus that depends on team performance in any category not identified in Exhibit A hereto automatically will be deemed "likely to be earned."

(vi) Any incentive bonus that depends on a player's individual performance in any category not identified in Exhibit B hereto automatically will be deemed "likely to be earned." Any incentive bonus that depends on a player's individual performance in categories other than those used to assess performance at the player's primary position automatically will be deemed "likely to be earned."

(vii) Any incentives "likely to be earned" by Rookies shall be valued at the percentages set forth in Exhibit C hereto.

(viii) Any incentives based on a player receiving Honors or Media Recognition not listed on Exhibit D hereto shall automatically be deemed “likely to be earned.”

(EXHIBIT A)

TEAM INCENTIVES

OFFENSE	DEFENSE	SPECIAL TEAMS
Points scored by offense	Points allowed by defense	Own punt return average
Touchdowns scored by offense	Touchdowns allowed by defense	Own kickoff return average
Total offense (net yards)	Total defense (net yards)	Opposition punt return average
Average net yards gained per rushing play	Average net yards given up per rushing play	Opposition kickoff return average
Average net yards gained per passing play	Average net yards given up per passing play	
Sacks allowed	Sacks	
Passing % completed	Interceptions	
ALL		
Wins		
Playoffs		
Conference Championship		
Super Bowl		
Touchdowns on returns and recoveries		
Net difference takeaways/giveaways		

(EXHIBIT B)

INDIVIDUAL INCENTIVES

RUSHING

Total yards

Average yards
(100 attempts)

Touchdowns

PASSING

Passer rating
(224 attempts)

Completion percentage
(224 attempts)

Interception percent
(224 attempts)

Total yards

Yards per pass
(224 attempts)

Touchdown passes

RECEIVING

Total receptions

Total yards

Average yards
(32 receptions)

Touchdowns

DEFENSE

Interceptions

Interception return yards

Touchdowns on interception returns

Opponent fumble recoveries

Opponent fumble return yards

Touchdowns on opponent fumble returns

Sacks

PUNT RETURNS

Total yards

Average (20 returns)

Touchdowns

(EXHIBIT B)

INDIVIDUAL INCENTIVES

KICKOFF RETURNS

Total yards

Average (20 returns)

Touchdowns

PUNTING

Gross average (40 punts)

Net average (40 punts)

Inside 20-yard line

PLACE KICKING

Total points

Field goals

Field goal percentage
(16 attempts)

Field goal percentage
0-19 yards (4 attempts)

Field goal percentage
20-29 yards (4 attempts)

Field goal percentage
30-39 yards (4 attempts)

Field goal percentage
40-49 yards (4 attempts)

Field goal percentage
50 yards or longer (3 attempts)

OTHERS

Roster bonuses

Reporting bonuses

Playtime bonuses

(excluding special teams)

Special teams playtime

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

CATEGORY		PERCENT COUNTED
<hr/>		
ROSTER BONUSES (regular season)		
All Drafted		100%
Undrafted		30%
<hr/>		
ROSTER BONUSES (preseason)		
All Players		100%
<hr/>		
PLAYING TIME	ROUNDS 1-3	
	Up to 33%	100%
	34% - 75%	75%
	76% - 90%	50%
	91% - 100%	25%
	ROUNDS 4-8	
	Up to 25%	100%
	26% - 33%	75%
	34% - 50%	50%
	51% - 75%	25%
	76% - 100%	10%
	UNDRAFTED	
	Up to 15%	100%
	16% - 25%	75%
	26% - 50%	50%
	51% - 75%	25%
	76% - 100%	10%
<p>All percentages will round to the nearest whole percentage (e.g., .05 is rounded to 1.0)</p>		
<hr/>		
SPECIAL TEAMS	ROUNDS 1 - 3	100%
PARTICIPATION	ROUNDS 4 - 8	66%

UNDRAFTED 50%

HONORS (First or Second Team)	ROUNDS 1 - 2	
	All-Rookie	100%
	All NFL, Pro Bowl	5%
	All Conference	10%
	ALL OTHERS	
	All-Rookie	15%
	All Conference	5%
	ALL	
	ROOKIE OF YEAR	
	— NFL OR CONF	0%
	ROOKIE OF YEAR	
	— OFFENSE — NFL	0%
	ROOKIE OF YEAR	
	— DEFENSE — NFL	0%

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

RUSHING

Total Yards	ROUNDS 1 - 3	
Rushing	Up to 150 yards	100%
	151 - 350 yards	75%
	351 - 500 yards	66%
	501 - 700 yards	33%
	701 yards or more	0%
	ALL OTHERS	
	Up to 100 yards	100%
	101 - 350 yards	66%
	351 - 650 yards	25%
	651 yards or more	0%

Average Yards	ROUNDS 1 - 3	
(100 attempts)	Up to 3.74	100%
	3.75 - 4.0	66%
	4.01 - 4.49	33%
	4.5 or more	0%
	ALL OTHERS	
	Up to 3.74	100%
	3.75 - 4.0	50%
	4.01 - 4.49	25%
	4.5 or more	0%

Touchdowns	ROUNDS 1 - 3	
	Up to 4	100%
	5 - 7	66%
	8 - 11	33%
	12 or more	0%
	ALL OTHERS	
	Up to 4	100%
	5 - 7	50%
	8 - 11	25%
	12 or more	0%

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

PASSING

Passer Rating (224 attempts)	ROUNDS 1 - 3	
	50 rating or less	100%
	51.00 - 75.00	66%
	76.00 - 90.00	50%
	90.00 - 100.00	33%
	100.01 or more	0%
	ALL OTHERS	
	50.00 or less	100%
	51.00 - 75.00	66%
	76.00 - 90.00	25%
	90.01 or more	0%

Completion Percentage (224 attempts)	ROUNDS 1 - 3	
	Up to 52%	100%
	52.1 - 56%	66%
	56.1 - 59%	33%
	59.01% or more	0%
	ALL OTHERS	
	Up to 52%	100%
	52.1 - 56%	50%
	56.1 - 59%	25%
	59.01% or more	0%

Interception Percentage (224 attempts)	ROUNDS 1 - 3	
	3.0% or more	100%
	2.7 - 2.9%	66%
	2.1 - 2.6%	33%
	2.0% or less	0%
	ALL OTHERS	
	3.0% or more	100%
	2.7 - 2.9%	50%
	2.1 - 2.6%	25%
	2.0% or less	0%

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

Total Yards Passing	ROUNDS 1 - 3	
	Up to 500 yards	100%
	501 - 700 yards	75%
	701 - 900 yards	50%
	901 - 1,600 yards	25%
	1,601 yards or more	0%
	ALL OTHERS	
	Up to 400 yards	100%
	401 - 600 yards	75%
	601 - 800 yards	50%
	801 - 1,200 yards	25%
1,201 yards or more	0%	

Yards Per Pass (224 attempts)	ROUNDS 1 - 3	
	Under 6	100%
	6.0 - 7	66%
	7.1 - 8	33%
	8.1 - 9	10%
	9.1 or more	0%
	ALL OTHERS	
	Under 6	100%
	6.0 - 7	50%
	7.1 - 8	25%
	8.1 - 9	10%
9.1 or more	0%	

Touchdown Passes	ROUNDS 1 - 3	
	Under 11	100%
	12 - 16	66%
	17 - 23	33%
	24 - 29	10%
	30 or more	0%
	ALL OTHERS	
	Under 11	100%
	12 - 16	50%
	17 - 23	25%
	24 - 29	10%
30 or more	0%	

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

RECEIVING

Total Receptions	ROUNDS 1 - 3	
	Up to 20 catches	100%
	21 - 30 catches	75%
	31 - 35 catches	50%
	36 - 40 catches	25%
	41 catches or more	0%
	ALL OTHERS	
	Up to 10 catches	100%
	11 - 35 catches	50%
	36 - 40 catches	25%
41 catches or more	0%	

Total Yards Receiving	ROUNDS 1 - 3	
	Up to 200 yards	100%
	201 - 300 yards	75%
	301 - 400 yards	50%
	401 - 800 yards	25%
	801 yards or more	0%
	ALL OTHERS	
	Up to 150 yards	100%
	151 - 250 yards	75%
	251 - 350 yards	50%
351 - 700 yards	25%	
701 yards or more	0%	

Average Yards (32 receptions)	ROUNDS 1 - 3	
	Up to 11.5	100%
	11.6 - 14.5	75%
	14.6 - 16.5	50%
	16.6 - 18.5	25%
	18.6 or more	0%
	ALL OTHERS	
	Up to 11.5	100%
	11.6 - 14.5	66%
	14.6 - 16.5	33%
16.6 - 18.5	10%	
18.6 or more	0%	

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

Receiving Touchdowns	ROUNDS 1 - 3	
	Up to 4	100%
	5 - 7	66%
	8 - 11	33%
	12 or more	0%
	ALL OTHERS	
	Up to 4	100%
	5 - 7	50%
	8 - 11	25%
	12 or more	0%

TOTAL OFFENSE

Total Yards	ROUNDS 1 - 3	
	Up to 500 yards	100%
	501 - 700 yards	75%
	701 - 900 yards	50%
	901 - 1,600 yards	25%
	1,601 yards or more	0%
	ALL OTHERS	
	Up to 400 yards	100%
	401 - 600 yards	75%
	601 - 800 yards	50%
	801 - 1,200 yards	10%
	1,201 yards or more	0%

Scoring	ROUNDS 1 - 3	
	2 - 28 points	100%
	29 - 65 points	50%
	66 - 75 points	25%
	76 points or more	0%
	ALL OTHERS	
	2 - 28 points	100%
	29 - 55 points	50%
	56 - 75 points	10%
	76 points or more	0%

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

DEFENSE

Interceptions	ROUNDS 1 - 3	
	1 - 5	100%
	6 - 10	50%
	11 or more	0%
	ALL OTHERS	
	1 - 3	100%
	4 - 6	33%
7 or more	0%	

Interception Return Yards	ROUNDS 1 - 3	
	0 - 85	100%
	86 - 150	66%
	151 - 190	33%
	191 or more	0%
	ALL OTHERS	
	0 - 65	100%
66 - 85	50%	
86 - 110	25%	
111 or more	0%	

Touchdowns on Interception Returns	ALL	
	1	100%
	2	50%
	3 or more	0%

Opponent Fumble Recoveries	ALL	
	1 - 2	100%
	3 - 4	50%
	5 or more	0%

Opponent Fumble Return Yards	ROUNDS 1 - 3	
	0 - 40	100%
	41 - 65	66%
	66 - 80	33%
	81 or more	0%

ALL OTHERS

0 - 30	100%
31 - 55	50%
56 - 75	25%
76 or more	0%

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

Touchdowns On Opponent Fumble Returns	ALL	
	1	100%
	2	50%
	3 or more	0%
Sacks	ROUNDS 1 - 3	
	.5 - 4 sacks	100%
	4.5 - 6 sacks	50%
	6.5 - 8 sacks	25%
	8.5 sacks or more	0%
	ALL OTHERS	
	.5 - 3 sacks	100%
	3.5 - 6 sacks	50%
	6.5 - 8 sacks	25%
	8.5 sacks or more	0%
PUNT RETURNS		
Total Yards	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 224	100%
	225 - 349	33%
	350 or more	0%
Average (20 returns)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 7.9	100%
	8.0 - 10.9	33%
	11.0 or more	0%
Touchdowns	ROUNDS 1 - 3	100%
	ALL OTHERS	
	1	33%
	2 or more	0%

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

KICKOFF RETURNS

Total Yards	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 599	100%
	600 - 649	33%
	650 or more	0%

Average (20 returns)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 19.9	100%
	20.0 - 21.9	33%
	22.0 or more	0%

Touchdowns	ROUNDS 1 - 3	100%
	ALL OTHERS	
	1	33%
	2 or more	0%

PUNTING

Gross Average (40 punts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 42.4	100%
	42.5 - 43.9	33%
	44.0 or more	0%

Net Average (40 punts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 35.9	100%
	36.0 - 37.9	33%
	38.0 or more	0%

Inside 20-yard line	ROUNDS 1 - 3	100%
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ALL OTHERS

0 - 19	100%
20 - 23	33%
24 or more	0%

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

PLACE KICKING

Total Points	ROUNDS 1 - 3	
	Up to 86 points	100%
	87 - 95 points	75%
	96 - 104 points	50%
	105 - 113 points	10%
	114 points or more	0%
	ALL OTHERS	
	Up to 75 points	100%
	76 - 90 points	66%
	91 - 99 points	33%
100 - 109 points	10%	
110 points or more	0%	
Field Goals	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 19	100%
	20 - 26	33%
27 or more	0%	
Field Goal Percentage (16 attempts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 75%	100%
	75.1 - 80%	33%
80.1 - 100%	0%	
Field Goal Percentage 0-19 yards (4 attempts)	ALL	100%
Field Goal Percentage 20 - 29 yards (4 attempts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 85%	100%
	85.1 - 95%	33%
	95.1 - 100%	0%
Field Goal Percentage	ROUNDS 1 - 3	100%

30 - 39 yards
(4 attempts)

ALL OTHERS

0 - 70%	100%
70.1 - 90%	33%
90.1 - 100%	0%

(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

Field Goal Percentage 40 - 49 yards (4 attempts)	ROUNDS 1 - 3	100%
	ALL OTHER	
	0 - 55%	100%
	55.1 - 70%	33%
	70.1 - 100%	0%

Field Goal Percentage 50 yards or longer (3 attempts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 45%	100%
	45.1 - 60%	33%
	60.1 - 100%	0%

(EXHIBIT D)

HONORS AND RECOGNIZED MEDIA

VETERAN HONORS

PRO BOWL
1ST & 2ND ALL NFL
1ST & 2ND ALL CONFERENCE
SUPER BOWL MVP (ROZELLE TROPHY)
MVP-NFL
OFFENSIVE PLAYER OF YEAR — NFL OR CONF
DEFENSIVE PLAYER OF YEAR — NFL OR CONF
PLAYER OF YEAR — NFL OR CONF

VETERAN MEDIA

ASSOCIATED PRESS
PRO FOOTBALL WEEKLY
PRO FOOTBALL WRITERS OF AMERICA
SPORTING NEWS
FOOTBALL NEWS
FOOTBALL DIGEST
USA TODAY
COLLEGE & PRO FOOTBALL WEEKLY

ROOKIE HONORS (FIRST OR SECOND TEAM)*

ROUNDS 1-2

ALL ROOKIE
ALL NFL, PRO BOWL
ALL CONFERENCE

ALL OTHERS

ALL-ROOKIE
ALL CONFERENCE

ALL

ROOKIE OF YEAR — NFL OR CONF
ROOKIE OF YEAR — OFFENSE — NFL
ROOKIE OF YEAR — DEFENSE — NFL

* See Exhibit C for Rookie Honors percentages

ROOKIE MEDIA
ASSOCIATED PRESS
PRO FOOTBALL WEEKLY
PRO FOOTBALL WRITERS OF AMERICA
SPORTING NEWS

(ix) The following is a non-exclusive list of rules that apply to incentives for Rookies:

(1) If the incentive is written for leading the Club in any official League statistical category (assuming it is on Exhibit A or B), it shall be valued at 0%;

(2) Rookie incentives shall be valued at 100%, for:

(A) Any incentive written for any ranking other than first on the Club in any official League statistical category;

(B) Any team statistic or team unit statistic, if the statistic was achieved in the prior season (based on prior season's performance);

(C) Any incentives within the sole control of the player (e.g., non-guaranteed reporting bonuses, workouts, weight clauses, etc.);

(D) Any relocation or completion bonus;

(E) Any incentive not measured by official NFL statistics (i.e., hurries, tackles and assists) or incentives based on subjective standards;

(F) Any guaranteed salary or bonus;

(G) Any pre-season or off-season statistics;

(H) Any incentive based upon another player's performance; and

(I) Any incentives based on leading the team in punting/kicking.

(3) If the incentive is written for leading the team in kick returns or punt returns, and the player qualifies under the minimum standard established by the League for those statistical categories, then the following percentages shall be counted:

ROUNDS 1 - 3	100%
ROUNDS 4 - 5	33%
ROUNDS 6 - 8	10%
ALL OTHERS	0%

(4) If a Rookie has an incentive bonus for touchdowns, the rushing and receiving touchdowns likely to be earned levels will apply to value the incentive;

(5) If a Rookie non-kicker has a Total Points incentive, the total points likely to be earned levels for a rookie kicker will apply to value the incentive.

(6) For Rookies, each component of non-cumulative incentives is calculated individually, and only the highest component amount is counted. For example, an incentive clause for a 1st-round running back that provides for \$10,000 for up to 150 yards or \$20,000 for 151-350 yards is counted as \$15,000. (This amount is arrived at by taking the greater of 100% of \$10,000 or 75% of \$20,000, which equals \$15,000. Only the higher component amount of \$15,000 is counted).

(x) [Omitted]

(xi) Any team performance-related incentive will be revalued under the “likely to be earned” rules if the contract is assigned to a new Team through trade or waiver.

(xii) Any renegotiated contract will be revalued at the time of the renegotiation. Thus, if at the time of the renegotiation, the conditions for an incentive bonus have already been satisfied, that bonus will be deemed “likely to be earned.” Any new or altered incentive bonuses renegotiated in a preexisting contract after the start of the regular season in which they may be earned automatically will be deemed “likely to be earned” during that season.

(xiii) Other than as set forth in Subsection (xiv) below, any incentive bonus to an offensive player that is based upon the defensive team’s or special team’s performance automatically will be deemed “likely to be earned.” Conversely, any incentive bonus to a defensive player that is based upon the offensive team’s or special team’s performance

automatically will be deemed “likely to be earned.” Any incentive bonus based upon another player’s performance automatically will be deemed “likely to be earned.”

(xiv) Any incentive bonus in a contract signed by a Rookie that is based upon special team performance automatically will be deemed “likely to be earned,” except for an incentive bonus to a Rookie kicker or Rookie punter that is based upon improvement in the performance of the kicking or punting team. Any incentive bonus to a player who is not a Rookie that is based upon special team performance automatically will be deemed “likely to be earned” unless the player played in at least 50% of his team’s special team plays in the previous season.

(xv) Any incentive bonus based on the team’s performance automatically will be deemed “likely to be earned” if it sets a minimum level of statistical performance that is equal to or lower than that achieved by the team finishing fifth from the bottom in the League in the applicable category during the previous season. For example, an incentive bonus based on a team winning at least a specified number of games will be evaluated by determining whether this number of wins was equal to or lower than that achieved by the team that was fifth from the bottom of the League in wins during the previous season. Conversely, any incentive bonus based on the team’s performance automatically will be deemed “not likely to be earned” if it sets a minimum level of statistical performance that is equal to or higher than that achieved by the team finishing fifth from the top of the League in the applicable category during the previous season.

(xvi) Any incentive bonus that is based upon the team achieving a particular ranking in its performance relative either to other teams in the League, or to other teams in its Conference, automatically will be deemed “likely to be earned” if it sets a ranking

level equal to or lower than fifth from the bottom of the League or third from the bottom of the Conference, respectively. For example, an incentive bonus that is based on a team finishing 28th in the League in total offense will be deemed “likely to be earned” in a League consisting of 32 teams; similarly, an incentive bonus based on a team finishing 14th in its Conference will be deemed “likely to be earned” in a Conference consisting of 16 teams. Conversely, any incentive bonus that is based upon the team achieving a particular ranking in its performance relative either to other teams in the League, or to other teams in its Conference, automatically will be deemed “not likely to be earned” if it sets a ranking level equal to or higher than fifth from the top of the League or third from the top of the Conference, respectively.

(xvii) Any incentive bonus based on the team’s ranking in its Division automatically will be deemed “likely to be earned.”

(xviii) In any Player Contract signed by a Rookie, if more than three different team performance categories are included as incentives, all but the three incentives with the lowest dollar value automatically will be deemed “likely to be earned.” For Player Contracts signed by Rookies selected in rounds one and two of the NFL draft, any team performance bonus automatically will be deemed “likely to be earned” unless coupled with a playtime requirement of at least 35% of the plays for any team incentives that apply in the first year of any Rookie contract, and at least 45% of the plays for any team incentives that apply in any subsequent year of such a contract. For Player Contracts signed by all other Rookies, a team performance bonus automatically will be deemed “likely to be earned” unless coupled with a playtime requirement of at least 15% of the plays for any team incentives that apply in the first year of any Rookie contract, and at

least 30% of the plays for any team incentives that apply in any subsequent year of such a contract. The provisions of this paragraph supplement and do not override Subsection (ix)(2)(B) above. The calculation of these playtime requirements shall exclude special teams plays.

(xix) In any Player Contract signed by a player other than a Rookie, if more than three different team performance categories are included as incentives, covering the Final Capped Year or thereafter, all but the three incentives with the lowest dollar value automatically will be deemed "likely to be earned." In addition, any team performance bonus for a player other than a Rookie covering the Final Capped Year or thereafter automatically will be deemed "likely to be earned" unless coupled with a playtime requirement equal to or greater than the player's actual playtime during the year prior to the execution of the new Player Contract. If the latter requirement is satisfied, a determination of whether the incentive is "likely to be earned" will be made pursuant to Article X, Section 7(c)(i). The calculation of these playtime requirements shall exclude special teams plays.

(xx) Any incentive bonus that is stated in terms of a per play or per game occurrence automatically will be deemed "likely to be earned" to the extent the specified performance was achieved by the player (if an individual incentive) or by the team (if a team incentive) in the previous year. For Rookies, it will be based on 75% of the team leader on the Rookie's team in the specified performance category in the previous year. If not initially counted as "likely to be earned," such incentives shall be counted immediately towards the Salary Cap and Entering Player Pool when they are earned.

(xxi) Any incentive bonus to a kicker or punter for leading his team in any kicking or punting category automatically will be deemed "likely to be earned." In a Player Contract signed by a Rookie quarterback who was drafted in the first round, any incentive bonus for leading his team in any quarterback category in his third NFL season or thereafter automatically will be deemed "likely to be earned." In a Player Contract signed by a Rookie running back who was drafted in the first round, any incentive bonus for leading his team in any running back category automatically will be deemed "likely to be earned." The provisions of this paragraph shall apply notwithstanding Subsections (ix)(1) and (ix)(2)(A) above.

(xxii) Any portion of an incentive bonus that is earned, but which had not been deemed likely to be earned at 100 percent of its value, will be deemed earned at the end of the season and not immediately upon attainment of the required performance level, except: (1) as provided in Subsection (xx) above in regards to per play or per game occurrences; (2) if the incentive bonus is actually paid before the end of the season, in which case it will count when paid; (3) if a player leaves the team's roster prior to the end of the season and the conditions of the incentive clause are satisfied prior to leaving, in which case the entire value of the earned bonus will count immediately; or (4) if the contract is renegotiated and the incentive has been earned prior to such renegotiation.

(xxiii) Any incentive bonus which a player and a Club agree to that: (i) depends upon performance in any category not identified in Exhibit A or Exhibit B; and (ii) is stated in terms of per play, per event or per game, or for leading or any ranking on the Club in any such category; shall be prohibited.

(xxiv) Any roster bonus which is deemed not "likely to be earned" based upon the player's performance during the prior year shall immediately be included in Team Salary when earned. Preseason roster bonuses are automatically deemed "likely to be earned."

(xxv) Any incentive bonus (or portion thereof) that is earned during the Final Capped Year, but which had not been deemed likely to be earned at 100 percent of its value during that League Year, will be deemed earned and counted against the Salary Cap immediately upon attainment of the required performance level. Conversely, any incentive bonus (or portion thereof) that had been deemed likely to be earned during the Final Capped Year will be immediately credited toward the Salary Cap if the required performance level should, during the course of the Final Capped Year, become impossible for the player to attain.

(xxvi) To determine the value of an incentive clause for Salary Cap purposes, under either Subsection (xxii) or (xxv) above, such incentive clauses will be valued using the Club's performance in the prior season in lieu of the Club's current season performance. Thus, for example, if a Club had 1,000 offensive plays "last season," and an incentive clause were tied to a player's participating in 50 percent of the Club's offensive plays "this season," the incentive would be deemed earned, for Salary Cap purposes only, as of the time the player participated in 500 offensive plays. Similarly, such an incentive would be deemed not earned, for Salary Cap purposes only, as of the time the player had not participated in a sufficient number of offensive plays so that the player could not achieve the incentive based on last year's performance (e.g., had participated in only one of the Club's 502 offensive plays). Nothing herein, however, shall affect the player's

contractual right to receive or not receive the specified incentive, based upon the performance level actually achieved during that year.

(xxvii) If more than eight different team performance categories are included in a Player Contract signed by a Veteran as incentives, all but the eight incentives with the lowest dollar value automatically will be deemed “likely to be earned.” For purposes of this paragraph, each conjunctive combination of performance categories shall be counted as one performance category (e.g., an incentive clause reading, “if A and B and C, then player will receive \$X,” shall be counted as one performance category), and each disjunctive combination of performance categories shall be counted by the number of disjunctive performance categories in the combination (e.g., an incentive clause reading, “if A or B or C, then player will receive \$X”, shall be counted as three performance categories). In addition, any of the disjunctive performance categories may itself be a conjunctive combination of performance categories (e.g., the “A” in the immediately preceding example may be a conjunctive combination of numerous performance categories, and would be counted as being one category because of its conjunctive nature).

(xxviii) Subsection (xxvii) above does not supersede the terms of any other provisions or other agreements between the parties that automatically deem certain performance incentives to be “likely to be earned” or “not likely to be earned” depending upon whether the incentive fulfills other specified criteria.

(xxix) Subsections (xxvii) and (xxviii) above do not apply and the parties reserve their rights with respect to multiyear contracts containing team performance incentives in more than one year.

(d) **Guaranteed Contracts.** Any portion of Salary for which a Team fully guarantees payment for skill or injury shall be included in Team Salary during the year earned, except that:

(i) In a Player Contract entered into in a Capped Year, Salary fully guaranteed for League Years after the Final Capped Year will be included in Team Salary for the preceding League Years in which the Salary Cap is in effect, in any manner the Team chooses, if payment of the player's entire Salary for the Final Capped Year is not fully guaranteed. For example, without limitation on any other applicable example, and if the Salary Cap is in effect during the 2010 and 2011 League Years, and the player enters into a four-year contract which is not fully guaranteed for the 2011 League Year, which is the Final Capped Year, but is fully guaranteed for the 2012 and 2013 League Years, which are Uncapped Years, then the full amount of the guaranteed Salary for the 2012 and 2013 League Years will be included in Salary and Team Salary for the 2010 and 2011 League Years in a proportion determined by the Team.

(ii) In a Player Contract entered into in a Capped Year, 50% of the Salary fully guaranteed for any League Year beyond three years after the Final Capped Year will be included in Salary and Team Salary during the League Year or Years of the Contract in which the Salary Cap is in effect in a proportion to be determined by the Team.

(iii) Any portion of Salary fully guaranteed for any period after a player is released shall be immediately included in Team Salary at the time of his release at the present value rate determined in accordance with the one-year Treasury Note rate published in The Wall Street Journal of February 1 of the League Year of the player's release. In such event, the player shall have the option of being paid such guaranteed

amount immediately at the present value rate or under the original schedule provided in the contract. To the extent that such payment puts the Team over its Salary Cap, the rule set forth in Subsection 7(b)(ii)(1) above, shall apply.

(iv) If any Player Contract entered into in a Capped Year provides for yearly Salary in a sequence that, in the Final Capped Year or later, is fully guaranteed, unguaranteed, and then fully guaranteed, the amount fully guaranteed after the first such unguaranteed year will be allocated over the Capped Years in any manner the Team desires.

(v) For purposes of valuing the Salary of a player under the Salary Cap, any portion of such Salary for which a Team guarantees payment shall immediately be included in Team Salary during the year earned, subject only to the exceptions contained in Subsections 7(d)(i)-(iv) above.

(e) **Other Amounts.**

(i) **Loans.** The principal amount of any loan made, guaranteed, or collateralized by a Team or its Team Affiliate to a player shall be included in Team Salary. However, when a player pays back any portion of the principal amount of any such loan, such amount will be added to the Team's Salary Cap to the extent previously included in Team Salary.

(ii) A fraudulent agreement pursuant to which the player and the Club claim that the player has received a "loan" from the Club, when in fact there is no bona fide loan and the player is merely holding the money for the Club so that he can purport to "repay" the Club during a subsequent Capped Year (and thereby transfer a credit to the

Club's Salary Cap for that year), constitutes an improper circumvention of the Salary Cap and/or Entering Player Pool, in violation of Subsection 7(e)(i) above.

(iii) **Salary Advances.** Except as provided in Subsection 7(b)(iv) above, the full amount of any Salary advance paid to a player will be included immediately in Salary and Team Salary.

(iv) **Non-Cash Provisions.**

(1) The fair market value of all non-cash provisions (e.g., automobiles, houses, insurance policies) shall be included in Team Salary during the year in which such provision is made. If the parties cannot agree on the fair market value of such provisions, such dispute will be submitted to the Impartial Arbitrator.

(2) Any tangible item of value provided to unsigned players (or their affiliates) recruited by Clubs will be included in Salary. Reasonable travel cost, lodging and entertainment, incurred in connection with recruiting an unsigned player (or his affiliate) at a Club facility or Club geographic area will not be included in Team Salary or Benefits. Miscellaneous costs associated with recruiting unsigned players but not paid to players (or their affiliates) are not included as part of Salary or Benefits, except as set forth above.

(3) Expenses for travel, board and lodging for a player participating in an off-season workout program or classroom instruction shall not be included in Salary or Team Salary, so long as such expenses are reasonable and customary and generally offered to all players by that club. *See* Section 1(b)(vi) above (including such expenses in Player Costs as Benefits). Any such expenses in excess of reasonable and customary levels, or

not generally offered to all players by that Club, shall immediately be included in Salary and Team Salary.

(4) The voluntary provision to all players on a Club of meals, team apparel, or one team trip for celebrations in each League Year (plus any trips to the White House for the Super Bowl Champions) will not be included in Team Salary or Player Costs. This Subsection does not affect the treatment of consideration paid to a player for services other than football playing services, as provided in Section 1(c)(ii) above.

(5) Except as provided in Subsections 7(e)(iv)(2)-(4) above, and Article V (Entering Player Pool), Section 4(n) (concerning Rookie Orientation Programs), if any money or tangible item of value is provided by any Club to any player (or his affiliate) not pursuant to the CBA or a Player Contract, the value of the money or item shall immediately be included in Salary and the Team Salary of the Club making such provision. This paragraph does not apply to consideration paid to a player (or his affiliate) for nonfootball playing services, which are subject to Section 1(c)(ii) above.

(6) Compensation to players for participation in the off-season workout programs or classroom instruction sessions of a Club at the minimum amount set forth in Article XXXV (Off-Season Workouts) of the CBA shall be included in Team Salary on the first day of such program, calculated by multiplying: (i) the minimum amount set forth in Article XXXV, Section 3 (Off-Season Workouts) of the CBA; (ii) the number of players scheduled to participate in such program at said minimum amount; (iii) the number of days per week scheduled for such program; and (iv) the number of weeks scheduled for such program. For example, without limitation upon any other example, a Club having a fourteen-week workout program in the 2006 League Year for sixty players

to be paid at the minimum amount will include \$369,600 in its Team Salary on the first day of such program (\$110 per day x four workout days per week x fourteen weeks x sixty players). At the conclusion of a club's off-season workout program, any such minimum amounts which are unearned and unpaid shall be subtracted from Salary and Team Salary.

(7) If a Club provides one or more gifts to a player during the term of the player's Player Contract to commemorate the player's retirement, and the player has been under contract with the Club in three or more seasons, the fair market value of such gifts up to \$15,000 shall not be counted as Salary, and any excess fair market value above \$15,000 shall be counted as Salary. Notwithstanding the previous sentence, if the player has been under contract with the Club in less than three seasons, the entire fair market value of any such gifts shall be counted as Salary.

(v) **Annuities.** The cost to the Team of any annuity provided to any player (but not including any annuity provided pursuant to the player annuity program described in Article XLVIII-A) of the Collective Bargaining Agreement, computed at the one-year Treasury Note rate on February 1 of the applicable League Year, shall be included immediately in Team Salary.

(f) **Traded Contracts.**

(i) In the event that a Player Contract is assigned to another NFL Team, either by trade or pursuant to the NFL's waiver procedure, the assignee Team will count as part of its Team Salary only that portion of the player's Salary which remains unpaid and for which the Team may be obligated. The assignor Team will continue to count as part of its

Team Salary only that portion of the player's Salary which has already been paid by the Team and/or any Salary for which the Team remains obligated.

(ii) A Club is not required to have Room to execute a Player Contract with a player to whom the Club has exclusive negotiating rights if the player is assigned to another Club via a trade on the same business day as the execution of the contract, and the assignee Club has or makes Room for such Player Contract.

(g) **Mid-Season Contracts.** In the event that a player enters into a Player Contract after the first scheduled game of the regular season, a Team will only count as part of Team Salary that portion of the player's Salary which it might actually pay or might be obligated to pay that season.

Section 8. 30% Rules:

(a) No NFL Player Contract entered into in an Uncapped Year prior to the Final League Year may provide for an annual decrease in Salary, excluding any amount attributable to a signing bonus as defined in Section 7(b)(iv) above, of more than 30% of the Salary of the first League Year of the contract per year. This rule shall not apply in any Capped Year to any Player Contract that was signed in the 1993 League Year or earlier.

(b) No NFL Player Contract entered into in a Capped Year and extending into the Final League Year or beyond may provide for an annual increase in Salary, excluding any amount attributable to a signing bonus as defined in Section 7(b)(iv) above, of more than 30% of the Salary provided for in the Final Capped Year, per year, either in the Final League Year or in any subsequent League Year covered by the Player Contract. For

example, without limitation on any other applicable example, a four-year Player Contract signed in the 2011 League Year, assuming that it is Capped, may not provide for an annual increase of more than 30% of the 2011 League Year Salary, excluding amounts treated as a signing bonus, in any of the three additional League Years covered by the Contract.

(c) Any amount which a Club may pay to a player to buy out a right the player has or may have to terminate one or more contract years shall be treated as signing bonus at the time the buyout is exercised by the Club, and prorated at that time over the remaining term of the contract, including the current League Year, if the right to terminate and/or the right to buyout is based upon one or more incentives that are not "likely to be earned." Such a buyout amount shall not be included in any calculation for purposes of the 30% Rule, set forth above. (The parties acknowledge a disagreement as to the treatment of allocated signing bonus and buyout payments when a player's right to terminate one or more contract years and/or the Club's right to buyout is based upon one or more incentives that are "likely to be earned," and not upon any incentives that are not "likely to be earned." These issues are expressly left open. Except to enforce the terms of this Subsection (c), the terms of this Subsection may not be referred to or used by any of the parties in any proceeding, or otherwise, and the parties otherwise reserve all their rights with respect to the subject of this parenthetical.)

(d) Any amount specified to be paid for the exercise of an option by a Club to extend the term of a Player Contract shall be treated as signing bonus, prorated over the remaining term of the contract commencing in the League Year in which it is exercised or the last League Year in which the option may be exercised, whichever comes first.

Such an option amount shall, immediately upon execution of the contract, renegotiation or extension, be included in any calculation for purposes of the 30% Rule, set forth above, prorated over the remaining term of the contract commencing in the last League Year in which the option may be exercised. Notwithstanding the foregoing: (i) if a Club renounces its right to exercise the option, the option amount shall not be included in Team Salary as of the date of such renunciation; and (ii) if the club does not renounce, but nonetheless does not exercise the option, the full amount of the option amount previously counted against Team Salary shall be credited to the Club's Salary Cap in the next League Year.

Section 9. Renegotiations and Extensions:

(a) Provided that all Salary Cap requirements are met, Player Contracts for current and future years may be renegotiated and/or extended except as follows:

(i) The contract of a Veteran Player may not be renegotiated to increase the Salary to be paid to the player during the original terms of the contract for a period of twelve months after the player's most recent contract renegotiation. The first renegotiation of a Veteran Player Contract, however, may take place at any time.

(ii) No Team and player may agree to renegotiate any term of a previously signed Player Contract for a prior League Year.

(iii) No contract renegotiations may be done for a current season after the last regular season game of that season.

(iv) A Player Contract signed by a Rookie may not be renegotiated except as provided in Article V (Entering Player Pool), Section 4(i).

(v) As provided in Article IX (Final Eight Plan), Sections 3 and 4.

(b) No Player Contract, and no contract renegotiation or extension, may be agreed to between a Player and a Club for any term that expires prior to the last day of a League Year. All rights by a player to terminate a Player Contract must be exercised prior to the first day of any League Year to be terminated.

(c) Any agreement to compensate a player at the minimum amount set forth in Article XXXV (Off-Season Workouts) of the Collective Bargaining Agreement for participation in an off-season workout program or classroom instruction shall not be treated as a renegotiation of a Player Contract. Any agreement to compensate a player for such participation above such amount shall be treated as a renegotiation. All such agreements shall be set forth in writing and promptly filed with the League Office.

(d) Any salary deferral agreed to by club and player which does not affect the player's Salary for purpose of the Salary Cap and Entering Player Pool shall not be treated as a renegotiation.

(e) An amendment to a Player Contract that changes the terms under which Signing Bonus is paid is a renegotiation.

Section 10. Accounting Procedures:

(a) **Special Purpose Letters and TR Reporting.**

(i)(A) As provided below, each League Year the parties will be provided with one or more "Special Purpose Letters" by an independent accounting firm (hereinafter "the Accountants") which report the Total Revenues, Team Salary, Cash Player Costs, Player Costs and Benefits of each Club and the NFL for that League Year, utilizing

information reported by independent Club and League accounting firms, and information obtained by the Accountants through its review procedures. The Accountants shall be a nationally recognized accounting firm jointly appointed by the NFL and Class Counsel and any Players Union. The parties agree to share equally the cost of the Accountants between (i) the NFL and (ii) Class Counsel or any Players Union. The Reporting Package to be used by the Clubs and the League in providing information to the Accountants ("Revenue Reports") in each of the NFL playing seasons covered by this Agreement shall be agreed to by the parties. The basic review procedures to be performed by the Accountants are set forth in Appendix F hereto, and may be modified and/or supplemented by mutual agreement of the parties. The engagement of the Accountants shall be deemed to be renewed annually unless the Accountants are discharged by either party during the period from May 1 to July 1 of that year. Each Special Purpose Letter shall be based upon the best available information at the time of its issuance, and shall include a report of adjustments and new information obtained with respect to amounts previously reported for prior League Years.

(B) The amount of any Salary Cap and Minimum Team Salary that may apply in a League Year shall be determined at the times and utilizing the Special Purpose Letters and other information described in Section 10(e) below, subject to adjustments at the times and in the manners described in Subsections (ii) and (iii) of this Section 10(a).

(ii) Subject to Subsection 10(a)(iii) below, in the event that any error is found in (1) DGR, EDGR, or Player Costs in respect of the 2005 League Year or any earlier League Year; or (2) in Total Revenues or Player Costs in respect of any League Year subsequent to the 2005 League Year, which, if it had not occurred, would have resulted in

any increase or decrease in any Salary Cap in one or more prior League Years, the total amount of any such Salary Cap shortfall or overage, as the case may be, shall be added or subtracted, as the case may be, the next time the Salary Cap is calculated. An inaccuracy in an estimate that was made in a prior League Year shall not be considered an error for purposes of this Subsection, and such estimates shall be reconciled by the Accountants each League Year. In the event that an inaccuracy in an estimate is not reconciled, the failure to do so shall be considered an error for purposes of this Subsection. Any individual errors proposed for correction pursuant to this Subsection that are greater than \$25,000 must be substantiated by evidence and be reviewed with the Management Council, Class Counsel, any Players Union, and the Accountants prior to the correction being made. Any dispute regarding such corrections shall be subject to the procedures that apply under Subsections 10(a)(ix)-(x) below.

(iii) To the extent that the amounts and information set forth in a Special Purpose Letter indicate that the amount of any Salary Cap and/or Minimum Team Salary in any prior League Year should have been different from the amount actually utilized, any such difference in the Salary Cap and/or Minimum Team Salary shall be credited or deducted, as the case may be, to the next Salary Cap and/or Minimum Team Salary to be set, with interest (using the one-year Treasury Note rate as published in The Wall Street Journal on February 1 of each applicable League Year) (but subject in any case to Section 4(b)(i) above), or may be utilized for a Player Annuity Program, if specified by any Players Union. In the case of any updated Special Purpose Letter issued in the Final Capped Year, such adjustment shall be immediate.

(iv) The Accountants shall review the reasonableness of any estimates of revenues or expenses included in any Club's Revenue Reports in the League Years covered by this Agreement and may make such adjustments in such estimates as they deem appropriate. To the extent that the actual amounts of revenues received or expenses incurred differ from such estimates, adjustments shall be made as provided in Section 10(a)(ii) above.

(v) With respect to expenses deducted by the NFL or the Clubs from television, cable and radio broadcast revenues or any other revenues, the NFL and the Clubs shall report in the Revenue Reports only those expenses that are reasonable and customary in accordance with the provisions of Section 1(a)(i) above. All categories of expenses deducted from such revenues by the NFL or a Club in a Revenue Report completed by the NFL or that Club shall be reviewed by the Accountants, who shall determine whether they are reasonable and customary.

(vi) The Accountants shall receive, in connection with their duties: (1) access to and copies of the local accountant workpapers with respect to the Schedule described in Appendix F; and (2) access to the financial audit workpapers of the local accountants or League Office (to the extent necessary), provided that any information derived from the access described in this clause (2) will be held in confidence and will not be part of any file subject to Class Counsel and any Players Union review.

(vii) The NFL will use its best efforts to ensure that any contract between the League, any Club, or any Club Affiliate, and any third party in connection with the sale or marketing of any source of TR shall include terms that provide to the Accountants and Class Counsel and any Players Union access to any and all financial and contractual

information and documents in the possession, custody, or control of such third party to which the Club, Club Affiliate, or any other entity controlled by the owner of the Club has any right to any access, relating to such revenue source or any other financial or contractual relationship or transaction between such third party and the League, the Club involved in the sale or marketing of such revenue source, any Affiliate of that Club, or any of that Club's owners. In each case such access shall be subject to and limited by the rules set forth in this Agreement or otherwise agreed to by the parties regarding the dissemination of information provided to the Accountants and Class Counsel and any Players Union pursuant to the audit process. If the NFL, despite its best efforts, cannot ensure such access, Class Counsel and any Players Union shall have the right to obtain an order against the Club or Club Affiliate from a court or the Special Master requiring that such access be allowed.

(viii) Reasonably prior to the issuance of a Special Purpose Letter, the Accountants shall, as set forth in Appendix F attached hereto, notify designated representatives of the NFL and Class Counsel and any Players Union: (1) if the Accountants have any questions concerning the amounts of revenues or expenses reported by the Clubs or any other information contained in the Revenue Reports submitted by the Clubs; and (2) if the Accountants propose that any adjustments be made to any revenue or expense item or any other information contained in the Revenue Reports submitted by the Clubs.

(ix) In the event of any dispute concerning the amounts (as opposed to includability or the interpretation, validity or application of this Agreement) of any revenues, expenses, or Player Costs to be included in the Revenue Reports, including any

dispute concerning any findings or determinations concerning expenses made by the Accountants pursuant to the provisions of Subsection (iv) or Subsection (v), that cannot be resolved among the parties (hereinafter referred to as "Disputed Adjustments"), such dispute shall be resolved by the Accountants after consulting and meeting with representatives of both parties.

(x) Notwithstanding the foregoing, either party shall have the right to contest, by commencing a Special Master Proceeding pursuant to this Agreement, any Disputed Adjustments made by the Accountants, whenever such Disputed Adjustments for all Clubs are adverse to the party commencing the proceeding in an aggregate amount of \$5 million or more in any League Year covered by this Agreement. If the Disputed Adjustments for all Clubs are adverse to the party commencing the proceeding in an aggregate amount of \$5 million or more but less than \$10 million, the parties agree that: (1) the hearing will take place on an expedited basis and will not last longer than one full day, provided, however, that if, despite the reasonable efforts of the parties, the hearing cannot be completed in one day, the hearing shall continue, unless the parties otherwise agree, day-to-day until concluded; and (2) if the party that brings the proceeding does not substantially prevail after the hearing, then that party shall pay the reasonable costs and expenses, including attorneys' fees, of the other party for its defense of the proceeding. The immediately preceding sentence shall have no application to Special Master Proceedings in which the Disputed Adjustments for all Clubs adverse to the party bringing the proceeding equal or exceed \$10 million. All other disputes among the parties as to the interpretation, validity, or application of this Agreement, or with respect to any Salary or Benefits amount included in a Revenue Report, shall be resolved by the Special

Master appointed by the Court pursuant to this Agreement, as set forth in Article XXII (Special Master).

(xi) After receiving a Special Purpose Letter, Class Counsel and any Players Union shall have the right, upon reasonable notice and at its own expense, to conduct an audit of the League and any of its Clubs to further verify the accuracy of the information in such Special Purpose Letter. Bennett Hutt & Co. or another auditing firm replacing Bennett Hutt & Co. (subject to notification to and approval by the NFLMC, not to be unreasonably withheld, of such replacement) (Bennett Hutt & Co. or such replacement firm hereinafter being referred to as the "Players Auditor") may copy documents it reviews in the course of its audits and maintain copies of documents reviewed in its office. Other than as set forth in this Subsection, the Players Auditor may not show any such copies to anyone other than its partners, employees, and agents. The documentation made available and the information contained therein shall be held in strict confidence and may be discussed only with individuals authorized in this Subsection, or as jointly authorized by the NFL Management Council and Class Counsel and any Players Union. The Players Auditor may prepare one or more written or oral reports for the use of Class Counsel and any Players Union in connection with this Agreement, which may refer to and discuss the contents of documents reviewed, but which may not include copies of any such documents. Any such report shall not be referred to or distributed to anyone outside of Class Counsel and any Players Union or the Players Auditor for any other purpose. If Class Counsel or any Players Union determine in the exercise of their judgment that matters discussed in the Players Auditor's report may indicate a violation of this Agreement, then the Players Auditor may show a copy of such documents that it

considers in the exercise of its judgment to be relevant to such potential violation to Class Counsel and counsel for the Players Union (who as of the date hereof are also serving as Class Counsel), the Executive Director and General Counsel of the Players Union, up to three Players Union staff personnel (whose authority to receive such information shall be disclosed in advance to the NFLMC) and up to three members of the Players Union Executive Committee (whose authority to receive such information shall be disclosed in advance to the NFL Management Council). In addition, a copy of such documents may be presented to the Special Master and/or a court in any proceeding to enforce this Agreement. At least four (4) business days prior to commencing any such proceeding based upon such documents, Class Counsel or any Players Union will advise the NFL Management Council of the alleged violation upon which the proceeding would be based; the parties shall stipulate to reasonable protective order terms and conditions to protect the confidentiality of such information. Except in connection with a proceeding as described in the preceding sentence, Class Counsel and any Players Union, their representatives and agents shall not refer to or distribute such copies to anyone outside of their organizations for any other purpose.

(b) Projected Total Revenues

(i) For purposes of computing the Salary Cap and Minimum Team Salary to be applied in an upcoming League Year in accordance with Sections 4-5, and 10(a) above and Section 10(e) below, and for any other purpose specifically stated in this Agreement, Total Revenues for the applicable League Year(s) shall be projected (“Projected Total Revenues”) utilizing one or more agreed-upon methods for the projection process so that the anticipated growth of Projected TR (based upon factors such as anticipated new

stadiums, expansion Clubs, and revenue provisions in the NFL's television and other contracts) over the course of League Years which are anticipated to be Capped Years shall be as accurate as practicable, subject to any agreement between the parties to allocate TR over particular League Years pursuant to Section 1(a)(xii) above.

Notwithstanding the foregoing, any difference between Projected TR and TR for a prior League Year shall be credited or deducted, as the case may be, in the calculation of the next Salary Cap and/or Minimum Team Salary to be set using the method set forth in Sections 10(b)(ii) and (iii) below, subject in any case to Section 4(b)(i) above. In the Final Capped Year, all such differences and other adjustments from prior League Years shall be made first in the initial calculation of the Salary Cap and Minimum Team Salary, and then shall be updated, with any other differences and adjustments discovered or agreed to subsequent to the initial calculation of the Salary Cap and Minimum Team Salary (a) on or before the third day prior to the beginning of the Final Capped Year, if and only if the Final Capped Year is determined on the basis of an election by either the NFL Management Council or Class Counsel and any Players Union to terminate one or more Capped Years hereunder, and (b) in all cases, on or before May 1 in such Final Capped Year. Moreover, if one or more League-wide television or local television and radio contracts are in effect for the League Year in respect of which the Salary Cap and Minimum Team Salary are being calculated, the actual revenues expected from such source under such contract shall be used in the determination of Projected TR, unless another allocation has been or is agreed to by the parties. Notwithstanding the foregoing or anything else in this Agreement, if, after the initial calculation of the Salary Cap, Minimum Team Salary, and Projected TR for a League Year, a new League-wide

television contract is entered into for that League Year, such amounts shall be substituted for the amount for League-wide television revenues previously included in Projected TR, and the Salary Cap and Minimum Team Salary calculated for that League Year shall immediately be adjusted accordingly. In addition, if one or more new Clubs are scheduled to be added to the NFL during the next League Year as one or more expansion Clubs, Projected TR will include an additional projection of TR determined in a manner agreed to by the parties. In addition, if, after the initial calculation of Projected TR for a League Year, the number of scheduled regular season games per Club is increased above the standard of sixteen (16), Projected TR will include an additional projection of TR to account for such additional games as agreed upon by Class Counsel and any Players Union and the Management Council.

(ii) In the event that actual Total Revenues for any League Year are less than Projected TR (as calculated in accordance with Section 10(b)(i) above) for that League Year, then the difference shall be deducted from Projected Total Revenues for the next League Year as to which the Salary Cap and Minimum Team Salary are being calculated, with interest (using the one-year Treasury Note rate as published in The Wall Street Journal on February 1 of the year in which such calculation is being made).

(iii) In the event that actual Total Revenues for any League Year exceeded Projected TR (as calculated in accordance with Section 10(b)(i) above) for that League Year, then the amount of such deficiency shall be added to Projected Total Revenues for the next League Year as to which the Salary Cap and Minimum Team Salary are being calculated, with interest (using the one-year Treasury Note rate as published in The Wall Street Journal on February 1 of the year in which such calculation is being made), except

that if, in respect of the 2008 League Year or any subsequent Capped Year, on the basis of the final Reporting Packages for the most recently completed League Year it is determined by the May 1 subsequent to the setting of the Salary Cap and Minimum Team Salary for the subsequent League Year (e.g., by May 1, 2007, in respect of the 2008 League Year, the Salary Cap and Minimum Team Salary for which were set three days prior to the beginning of the 2007 League Year) that actual Total Revenues for the most recently completed League Year exceeded Projected TR for such League Year, the amount of such deficiency shall be set forth in an updated Special Purpose Letter to be issued on such May 1 and shall be taken into account in calculating the Projected Total Revenues for such subsequent League Year, and the Salary Cap and Minimum Team Salary for such subsequent League Year shall be appropriately increased to reflect such addition.

(iv) Any adjustments pursuant to Section 10(a)(iv) above will be subtracted from or added to Projected TR as appropriate.

(c) **Timetable and Procedures**

(i) On or before the date of the Super Bowl in each League Year prior to the Final Capped Year, the parties will meet for the purposes of agreeing upon projections to be used in the calculation for the next Salary Cap and Minimum Team Salary to be set, including:

(A) incremental stadium-related revenues from the opening of any new stadium, any major renovation of an existing stadium, or any known major modification of an existing stadium lease;

(B) percentage increases to be used in the projections of the following categories of revenue (except to the extent addressed by Subsection (c)(i)(A) above): (1) gate receipts; (2) all other Club TR; and (3) all other League TR.

(ii) In the absence of agreement within ten business days after such meeting, such increases shall be projected on the basis of:

(A) for stadium-related revenues pursuant to Subsection (c)(i)(A) above, (1) the most recent projections used to secure financing of the stadium construction or renovation costs or to secure the lease modifications or, (2) in the absence of such projections, a determination by the Accountants, after consultation with both parties, subject to review by the Special Master pursuant to Article XXII.

(B) for other projections described in Subsection (c)(i)(B) above, assuming a percentage increase at the annual percentage increase for that category of revenues over the prior four League Years (on a per-Club basis for Club revenues and on a League-wide basis for revenues of the League, NFL Ventures, and other League affiliates). In the event of any dispute over such average annual percentage increases, the percentages shall be determined by the Accountants, after consultation with both parties, subject to review by the Special Master pursuant to Article XXII (Special Master).

(iii) Notwithstanding Subsections 10(c)(i)-(ii) above, in the event that the NFL expands in the future by the addition of one or more Teams, the parties will meet on or before October 15 of the League Year prior to the first League Year in which the expansion Club will play NFL games to agree upon a methodology for revenue projections for the following League Year attributable to the expansion Team. In the absence of agreement prior to December 15, such revenues shall be projected on the basis

prescribed by Section 10(b)(i) above and Paragraph 10 of the settlement agreement of the parties on this subject dated June 6, 1996.

(d) **Projected Benefits.**

(i) For purposes of computing the Salary Cap and Minimum Team Salary to be applied in a League Year in accordance with Sections 4-5 above and Section 10(e) below, and for any other purpose specifically stated in this Agreement, Benefits shall be projected ("Projected Benefits") to be any Benefits to be paid (or properly accrued) in the applicable League Year pursuant to this Agreement. If the amounts to be paid for any Benefit during the next League Year are not reasonably calculable, then, for the purposes of calculating Projected Benefits, the projected amount to be paid for the Benefit shall be the amounts expended by NFL Teams for the same Benefit in the prior League Year.

(ii) In the event that actual Benefits for any League Year are less than Projected Benefits (as calculated in accordance with Section 10(d)(i) above) for that League Year, then the difference shall be deducted from Projected Benefits for the next League Year as to which the Salary Cap and Minimum Team Salary are being calculated, with interest (using the one-year Treasury Note rate as published in The Wall Street Journal on February 1 of the year in which such calculation is being made).

(iii) In the event that actual Benefits for any League Year exceed Projected Benefits (as calculated in accordance with Section 10(d)(i) above) for that League Year, then the difference shall be added to Projected Benefits for the next League Year as to which the Salary Cap and Minimum Team Salary are being calculated, with interest (using the one-year Treasury Note rate as published in The Wall Street Journal on February 1 of the year in which such calculation is being made).

(iv) In the event the Players Union exercises any right to reduce or freeze or increase certain Benefits pursuant to Article XLVI (Player Benefit Costs) of the Collective Bargaining Agreement, Projected Benefits shall be adjusted immediately to reflect such changes.

(v) In the event the amount of Projected Benefits is adjusted pursuant to (1) Subsection (d)(iv) above; (2) the dispute resolution procedures of Article XLVI (Player Benefit Costs), Section 4 of the Collective Bargaining Agreement; (3) agreement of the parties; or (4) as otherwise permitted by this Agreement, then the Salary Cap amounts, Minimum Team Salary amounts, and any other amounts calculated using Projected Benefits, shall be immediately recalculated to reflect the adjustment in Projected Benefits.

(e) **Setting the Salary Cap.**

(i) 2008 and Subsequent Capped Years. The Salary Cap and Minimum Team Salary for the 2008 League Year and each subsequent Capped Year shall be set at least three days before the beginning of the League Year immediately preceding the relevant Capped Year, based upon Projected Total Revenues and Projected Benefits for the relevant Capped Year, as provided in Subsections 10(b)-(c) above, utilizing the information contained in a Special Purpose Letter which the Accountants shall issue on or before the date on which such Salary Cap and Minimum Team Salary are to be set, and shall be subject to adjustment upwards, but not downwards, on the May 1 immediately following the setting of such Salary Cap and Minimum Team Salary in accordance with Section 10(b)(iii) above, based on an updated Special Purpose Letter to be issued on or before such date (if issuance of such an updated Special Purpose Letter is appropriate in

light of the Total Revenues reflected in the final Reporting Packages for the then-most recently completed League Year).

(ii) 2011 League Year. If neither of the parties terminates either of the final two Capped Years of this Agreement pursuant to Article XXV (Duration of Agreement), Section 3(a), the Salary Cap and Minimum Team Salary for the 2011 League Year (the Final Capped Year) shall be initially set at the time specified in Subsection 10(e)(i) above, and shall be finally determined within five business days after May 1, 2011, utilizing information contained in a final Special Purpose Letter issued by the Accountants on or before May 1, 2011.

(iii) Early Termination Provisions. If either of the parties terminates one or both of the final two Capped Years of this Agreement pursuant to Article XXV (Duration of Agreement), Section 3(a), with the result that a League Year earlier than the 2011 League Year becomes the Final Capped Year, then the Salary Cap and Minimum Team Salary for the League Year that has become the Final Capped Year as the result of such termination (a) shall be updated on or before the third day prior to the beginning of such Final Capped Year, utilizing information contained in a Special Purpose Letter which the Accountants shall issue on or before such date, and (b) shall be finally determined within five business days after May 1 in such Final Capped Year, utilizing information contained in a final Special Purpose Letter issued by the Accountants on or before May 1 in such Final Capped Year.

(iv) Adjustments in Final Capped Year. In setting the Salary Cap and Minimum Team Salary for the Final Capped Year, all differences and other adjustments

shall be implemented in an updated Salary Cap and Minimum Team Salary, within five business days of the issuance of the May 1 final Special Purpose Letter

Section 11. Revenue Sharing: For each season during the term of this Agreement, there shall be a program of revenue or cost sharing among the NFL Clubs which shall (a) be based on the Resolution adopted by the NFLMC on March 9, 2006 (2006 Resolution MC-1), approving this Agreement (including “qualifiers” established under Paragraph 5 of that Resolution), (b) provide for incremental revenue sharing as compared to the arrangements created by 1995 Resolution G-6, and (c) be reasonably satisfactory to Class Counsel and any Players Union. The revenue sharing program described to Class Counsel and the NFLPA by memorandum dated March 10, 2006, has been determined by Class Counsel and the NFLPA to be satisfactory. Any material modification to that program must also be reasonably satisfactory to Class Counsel and any Players Union.

ARTICLE XI
FINAL LEAGUE YEAR

All of the provisions of this Agreement shall be the same in the Final League Year of this Agreement, except that the following rules shall apply only in that League Year:

Section 1. No Salary Cap: No Salary Cap shall be in effect during the Final League Year.

Section 2. Free Agency If Salary Cap In League Year Prior To Final League Year:

In the event that a Salary Cap is in effect in the League Year prior to the Final League Year: (a) the number of Accrued Seasons required to be an Unrestricted Free Agent during the Final League Year shall be six or more Accrued Seasons; and (b) the provisions of Article VII (Veteran Free Agency), Sections 2-4, shall apply to any player with five Accrued Seasons in the Final League Year, as if such player had four Accrued Seasons, except that the Qualifying Offer amounts specified in Article VII (Veteran Free Agency), Section 2(b)(ii)(1)-(3) shall be \$50,000 greater, and the Qualifying Offer amounts specified in Article VII, Section 2(b)(ii)(4)-(5) shall be \$100,000 greater.

Section 3. Free Agency If No Salary Cap In League Year Prior To Final League

Year: In the event that a Salary Cap is not in effect in the League Year prior to the Final League Year, the number of Accrued Seasons required to be an Unrestricted Free Agent during the Final League Year shall be five Accrued Seasons.

Section 4. Franchise and Transition Players: As set forth in Article VIII (Franchise and Transition Players), Section 3, each Club shall be permitted to designate one Unrestricted Free Agent as a Transition Player between February 1 and February 15, in the Final League Year, notwithstanding that Transition Players may not be designated in the League Years after the 1994 League Year (except as provided in Article VIII (Franchise and Transition Players), Sections 3(a) and 11).

ARTICLE XII
SETTLEMENT PAYMENTS

The parties and the Receiving Agent shall fulfill any remaining obligations they may have under Article XII of this Agreement as that Article was in effect prior to March 8, 2006 (a copy of which Article, together with the Plan of Distribution thereunder, is attached hereto as Appendix H).

ARTICLE XIII
ANTI-COLLUSION

Section 1. Prohibited Conduct: No Club, its employees or agents, shall enter into any agreement, express or implied, with the NFL or any other Club, its employees or agents, to restrict or limit individual Club decision-making as follows:

- (a) whether to negotiate or not to negotiate with any player;
- (b) whether to submit or not to submit an Offer Sheet to any Restricted Free Agent;
- (c) whether to offer or not to offer a Player Contract to any Unrestricted Free Agent or Undrafted Rookie;
- (d) whether to exercise or not to exercise a Right of First Refusal; or
- (e) concerning the terms or conditions of employment offered to any player for inclusion, or included, in a Player Contract.

Section 1a. Commissioner Approvals: Any approval or disapproval of a player's contract by the Commissioner, or any communication thereof, timely notice of which is provided to Class Counsel and any Players Union, cannot be the basis of any claim of collusion. Class Counsel, any Players Union, or the affected Player shall have the right to appeal the Commissioner's disapproval of such player contract to the Special Master, pursuant to Article XXII (Special Master) and Article XV (Enforcement of the Salary Cap and Entering Player Pool).

Section 2. Other Club Conduct: No Club may have a policy not to negotiate with, or enter into a Player Contract with, any player who is free to negotiate and sign a Player

Contract with any Club, on any of the following grounds, if such policy is inconsistent with Section 1 above:

(a) that the player has previously been subject to the exclusive negotiating rights obtained by another Club in a College Draft, by virtue of a Required Tender to a player with less than three Accrued Seasons, or a Franchise Player designation; or

(b) that the player has refused or failed to enter into a Player Contract for a Prior Season containing a Right of First Refusal or an Option Clause (i.e., any clause that authorizes an extension or renewal by a Club of a Player Contract beyond its stated term);

or

(c) that the player has become a Restricted Free Agent or an Unrestricted Free Agent; or

(d) that the player is or has been subject to any Right of First Refusal.

Section 3. Club Discretion: Section 2 above does not diminish any Club's right not to negotiate or contract with any particular player on any policy ground not specified above. In conjunction with other evidence of an alleged violation(s) of Section 1, a Club's adherence to a policy identified in Section 2 above may be offered as evidence of an alleged violation of Section 1 above, but may not be the basis of any separate proceeding seeking any penalty or other relief against any Club or the NFL.

Section 4. League Disclosures: Neither the NFL nor the NFL Management Council shall knowingly communicate or disclose, directly or indirectly, to any NFL Club that another NFL Club has negotiated with or is negotiating with any Restricted Free Agent, unless

and until an Offer Sheet for such Restricted Free Agent has been given to the Prior Club, or with any Unrestricted Free Agent, prior to the execution of a Player Contract with that Unrestricted Free Agent, if such communication or disclosure is inconsistent with Section 1 above. It shall not be a violation of this Article for the NFL to respond to an inquiry from a Club about whether and under what circumstances proposed transactions would be permissible under this Agreement or NFL Rules consistent with the Settlement Agreement or this Agreement. In conjunction with other evidence of an alleged violation of Section 1 above, a Club's communication or disclosure of the kind identified in the first sentence of this paragraph may be offered as evidence of an alleged violation(s) of Section 1 above, but may not be the basis of any separate proceeding seeking any penalty or other relief against any Club or the NFL.

Section 5. Enforcement of Anti-Collusion Provisions: Except as provided in Section 16(d) below, any player, Class Counsel, or any Players Union acting on that player's or any number of players' behalf, may bring an action before the Special Master alleging a violation of Section 1 of this Article. In any such proceeding, the Federal Rules of Evidence shall apply. Issues of relief and liability shall be determined in the same proceeding (including the amount of damages, pursuant to Section 8 below, if any). The complaining party shall bear the burden of demonstrating by a clear preponderance of the evidence that (1) the challenged conduct was or is in violation of Section 1 of this Article and (2) caused any economic injury to such player(s).

Section 6. Burden of Proof: The failure by a Club or Clubs to negotiate, to submit Offer Sheets, or to sign contracts with Restricted Free Agents or Transition Players, or to negotiate, make offers, or sign contracts for the playing services of such players or Unrestricted Free Agents, shall not, by itself or in combination only with evidence about the playing skills of the player(s) not receiving any such offer or contract, satisfy the burden of proof set forth in Section 1 above. However, any of the types of evidence described in the preceding sentence may support a finding of a violation of Section 1 of this Article, but only in combination with other evidence which, by itself or in combination with such evidence, indicates that the challenged conduct was in violation of Section 1 of this Article. Nothing in this Agreement shall preclude the NFL or its Clubs from arguing that any evidence is insufficient to satisfy the burden of proof set forth in Section 5 above. Nothing in this Agreement shall preclude Class Counsel and any Players Union or any player from arguing that any evidence is sufficient to satisfy the burden of proof set forth in Section 5 above, except as set forth above.

Section 7. Summary Judgment: The Special Master may, at any time following the conclusion of the permitted discovery, determine whether or not the complainant's evidence is sufficient to raise a genuine issue of material fact capable of satisfying the standards imposed by Sections 5 and/or 6 above. If the Special Master determines that complainant's evidence is not so sufficient, he shall dismiss the action.

Section 8. Remedies: In the event that an individual player or players, or Class Counsel or any Players Union acting on his, or their, behalf, successfully prove(s) a violation of Section 1 of this Article, the player or players injured shall have the right:

(a) To terminate his (or their) existing Player Contract(s) at his (or their) option, or void any Club's Draft rights or other rights with respect to such player(s) at his (or their) option; any Player Contract terminated during the course of a playing season shall be terminated as of the end of that season. Such rights shall not arise until the recommendation of the Special Master finding a violation is no longer subject to further appeal and must be exercised by the player within thirty (30) days therefrom. If, at the time the Player Contract is terminated, such player would have been a Restricted Free Agent pursuant to Article VII (Veteran Free Agency), such player shall immediately become a Restricted Free Agent, upon such termination. If, at the time the Player Contract is terminated, such player would have been an Unrestricted Free Agent pursuant to Article VII (Veteran Free Agency), such player shall immediately become an Unrestricted Free Agent, upon such termination. If, at the time the Player Contract is terminated, such player would have been subject to a Club's exclusive negotiating rights, such player shall remain subject to such rights upon such termination. In either case described in the preceding three sentences, the player shall not be subject to any signing period. In the case of a Drafted Rookie who does not sign a Player Contract and who is given the option of voiding a Club's Draft rights pursuant to this Subsection (a), such player shall then be treated as either: (i) a Drafted Rookie subject to the NFL waiver system as described in Article IV, Section 4, if the termination takes place during the player's first League Year; or (ii) a Drafted Rookie subject to the rules of Article IV

(College Draft), Section 9, if the termination takes place during the player's second League Year; or (iii) a Free Agent, if the termination takes place during the player's third League Year or thereafter; and

(b) To recover all of his damages, as described in Section 9 below, for any alleged injuries suffered as a result of the violation.

Section 9. Computation of Damages: Upon any finding of a violation of Section 1 of this Article, compensatory damages (i.e., the amount by which any player has been injured as a result of such violation) and non-compensatory damages (i.e., the amount exceeding compensatory damages) shall be awarded as follows:

(a) Two times the amount of compensatory damages, in the event that all of the Clubs found to have violated Section 1 of this Article, have committed such a violation for the first time. Any Club found to have committed such a violation for the first time shall be jointly and severally liable for two times the amount of compensatory damages.

(b) Three times the amount of compensatory damages, in the event that any of the Clubs found to have violated Section 1 of the Article, have committed such a violation for the second time. In the event that damages are awarded pursuant to this Subsection: (i) any Club found to have committed such a violation for the first time shall be jointly and severally liable for two times the amount of compensatory damages; and (ii) any Club found to have committed such a violation for the second time shall be jointly and severally liable for three times the amount of compensatory damages.

(c) Three times the amount of compensatory damages, plus, for each Club found to have violated Section 1 of this Article for at least the third time, a fine of \$3,000,000 in the event that any of the Clubs found to have violated Section 1 of this Article have committed such violation for at least the third time. In the event that damages are awarded pursuant to this Subsection: (i) any Club found to have committed such a violation for the first time shall be jointly and severally liable for two times the amount of compensatory damages; (ii) any Club found to have committed such a violation for at least the second time shall be jointly and severally liable for three times the amount of compensatory damages; and (iii) any Club found to have committed such a violation for at least the third time shall, in addition, pay a fine of \$3,000,000. For each League Year after the 2006 League Year, each of the enumerated fines set forth in this Subsection 9(c) shall increase by the same percentage as the increase in Projected TR for that League Year over the prior League Year's TR (up to a maximum of ten percent (10%) per League Year).

Section 10. Player Election: A proceeding prosecuting an alleged violation of Section 1 of this Article shall initially be limited to the issues of liability and damages sustained to the date of the Special Master's determination. In the event the Special Master finds a violation, the player shall make a determination within thirty (30) days of the date the Special Master's determination is final, or within thirty (30) days after the last game of the season for such player (including any playoff games) if the finding is made during the course of the season, whether the player intends to void the applicable Player Contract or Draft right. If the player voids the applicable Player Contract or Draft right, the player

may commence a supplemental proceeding before the Special Master, for the purpose of determining his future damages, if any, only after the player has signed a new Player Contract or after the first scheduled game of the next regular season, whichever is earlier. If the player elects not to void the applicable Player Contract or Draft right, he may immediately commence a supplemental proceeding before the Special Master for the purpose of determining his future damages, if any.

Section 11. Payment of Damages: In the event damages are awarded pursuant to Section 9 above, the amount of compensatory damages shall be paid to the injured player or players. The amount of non-compensatory damages, including any fines, shall be paid directly to any NFL player pension fund, any other NFL player benefit fund, or any charitable fund for the benefit of present or former NFL players, as selected by Class Counsel and any Players Union, subject to the reasonable approval of the NFL.

Section 12. Effect on Cap Computations: In the event that damages are awarded pursuant to Section 9 above, the amount of non-compensatory damages, including any fines, will not be included in any of the computations described in Article X above. The amount of compensatory damages awarded will be included in such computations.

Section 13. Effect of Salary Cap: In awarding any amount of damages, the Special Master shall take into account that, in any League Year in which a Salary Cap is in effect, no Club would have been authorized to pay out any Salary in excess of that permitted under the Salary Cap.

Section 14. No Reimbursement: Any damages awarded pursuant to Section 9 above must be paid by the individual Clubs found liable and those Clubs may not be reimbursed or indemnified by any other Club or the NFL.

Section 15. Costs: In any action brought for an alleged violation of Section 1 of this Article, the Special Master shall order the payment of reasonable attorneys' fees and costs by any party found to have brought such an action or to have asserted a defense to such an action without any reasonable basis for asserting such a claim or defense. Otherwise, each party shall pay his or its own attorneys' fees and costs.

Section 16. Termination: Class Counsel shall have the right to terminate this Agreement (pursuant to the procedures set forth in Article XXV (Duration of Agreement), Section 3(d) below), under the following circumstances:

(a) Where there has been a finding or findings of one or more instances of a violation of Section 1 of this Article with respect to any one NFL season which, either individually or in total, involved five or more Clubs and caused injury to 20 or more players; or

(b) Where there has been a finding or findings of one or more instances of a violation of Section 1 of this Article with respect to any two consecutive NFL seasons which, either individually or in total, involved seven or more Clubs and caused injury to 28 or more players. For purposes of this Section 16(b), a player found to have been injured by a violation of Section 1 of this Article in each of two consecutive seasons shall

be counted as an additional player injured by such a violation for each such NFL season;
or

(c) Where, in a proceeding brought by Class Counsel, it is shown by clear and convincing evidence that 14 or more Clubs have engaged in a violation or violations of Section 1 of this Article causing injury to one or more NFL players.

(d) In order to terminate this Agreement:

(i) The proceeding must be brought by Class Counsel;

(ii) The NFL and the Special Master must be informed at the outset of any such proceeding that Class Counsel is proceeding under this Section for the purpose of establishing its entitlement to terminate this Agreement; and

(iii) The Special Master must find that the Clubs engaged in willful collusion with the intent of restraining competition among teams for players.

Section 17. Time Limits: Any action under Section 1 of this Article must be brought within ninety (90) days of the time when the player knows or reasonably should have known with the exercise of due diligence that he had a claim, or within ninety (90) days of the first scheduled regular season game in the season in which a violation of Section 1 of this Article is claimed, whichever is later. In the absence of a Special Master, the complaining party shall file such claim with the Court. Any party alleged to have violated Section 1 of this Article shall have the right, prior to any proceedings on the merits, to make an initial motion to dismiss any complaint that does not comply with the timeliness requirements of this section.

Section 18. Prior Conference: Prior to the initiation of any proceeding under this Article by Class Counsel or any Players Union, the parties shall confer in person or by telephone to attempt to negotiate a resolution of the dispute.

ARTICLE XIV
[OMITTED]

ARTICLE XV

ENFORCEMENT OF THE SALARY CAP AND ENTERING PLAYER POOL

Section 1. Undisclosed Terms: A Club (or a Club Affiliate) and a player (or a Player Affiliate or player agent) may not, at any time, enter into undisclosed agreements of any kind, express or implied, oral or written, or promises, undertakings, representations, commitments, inducements, assurances of intent, or understandings of any kind: (a) involving consideration of any kind to be paid, furnished or made available or guaranteed to the player, or Player Affiliate, by the Club or Club Affiliate either prior to, during, or after the term of the Player Contract; and/or (b) concerning the terms of any renegotiation and/or extension of any Player Contract by a player subject to a Franchise Player or Transition Player designation.

Section 2. Circumvention: Neither the parties hereto, nor any Club or player shall enter into any agreement, Player Contract, Offer Sheet or other transaction which includes any terms that are designed to serve the purpose of defeating or circumventing the intention of the parties as reflected by (a) the provisions of this Agreement with respect to Total Revenues, Salary Cap, Entering Player Pool, and Minimum Team Salary, and (b) any other term and provision of this Agreement. However, any conduct permitted by this Agreement shall not be considered to be a violation of this provision.

Section 3. Special Master Action: Any individual player, Class Counsel or any Players Union acting on that player's or any number of players' behalf, the NFL, and any Club may bring an action before the Special Master alleging a violation of Article V (Entering

Player Pool) and/or Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary) of this Agreement. Issues of relief and liability shall be determined in the same proceeding. The complaining party shall bear the burden of demonstrating by a clear preponderance of the evidence that the challenged conduct was in violation of Article V (Entering Player Pool) and/or Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary).

Section 4. Commissioner Disapproval: In the event the Commissioner disapproves any Player Contract as being in violation of Article V (Entering Player Pool) and/or Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary), he shall at the time of such disapproval notify Class Counsel or any Players Union, all affected Clubs, and all affected players of such disapproval in writing and the reasons therefor. Except as required by the terms of this Agreement, nothing in this Agreement is intended to affect (i) any authority of the Commissioner to approve or disapprove Player Contracts and (ii) the effect of the Commissioner's approval or disapproval on the validity of such Player Contracts.

Section 5. Special Master Review: In the event that the Commissioner disapproves a Player Contract pursuant to Section 4 above, Class Counsel, any Players Union, any affected Club, and any affected player shall have the right within thirty (30) days of such person's notice of such disapproval to initiate a proceeding before the Special Master to determine whether such contract is in violation of Article V (Entering Player Pool) and/or Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary). The

Special Master shall review the dispute de novo, and shall have the authority to approve such Player Contracts in lieu of the Commissioner's approval, or confirm the Commissioner's disapproval. In the event the Commissioner's disapproval is upheld, the player and the Club shall have ten (10) days to attempt to renegotiate such Player Contract notwithstanding any other time period set forth in this Agreement. The Special Master does not have the authority to impose any revisions to such Player Contract on the player or the Club.

Section 6. Sanctions:

(a) **Players and Agents.** In the event that the Special Master finds a violation of Subsection 1(a) or 1(b) of this Article, for each such violation: (i) (1) the Special Master may impose a fine of up to \$375,000 on any player or player agent found to have committed such violation, and (2) shall, unless the parties to this Agreement otherwise agree, order the player to disgorge any undisclosed compensation found to have been paid in violation of Section 1 of this Article unless the player establishes by a preponderance of the evidence that he was unaware of the violation; and (ii) the Commissioner shall be authorized to void any Player Contract(s) that was (or were) the direct cause of such violation.

(b) **Clubs.** In the event that the Special Master finds a violation of Section 1(a) of this Article, for each such violation, the Commissioner shall be authorized to: (i) impose a fine of up to \$5,250,000, payable to the NFL, upon any Club found to have committed such violation; (ii) order the forfeiture of up to a maximum of two draft choices (without limitation as to round) by the Club found to have committed such

violation; (iii) impose a fine of up to \$375,000 on any Club executive or other Club personnel found to have committed such violation; and/or (iv) suspend for up to one year any Club executive or other Club personnel found to have committed such violation. In the event that the Special Master finds a violation of Subsection 1(b) of this Article, for each such violation, the Special Master may: (i) impose a fine of up to \$5,250,000, payable to the NFL, upon any Club found to have committed such violation; and (ii) impose a fine of up to \$375,000 on any Club executive or other Club personnel found to have committed such violation. In addition, in the event that the Special Master finds a violation of Subsection 1(b) of this Article, for each such violation, the Commissioner (i) shall be authorized to order the forfeiture of up to a maximum of two draft choices (without limitation as to round) by the Club found to have committed such violation; and (ii) shall, unless the parties agree otherwise, suspend for up to one year any Club executive or other Club personnel found to have committed such violation. In imposing sanctions pursuant to the immediately preceding sentence, the Commissioner shall apply the same standards that he would apply in the event of a violation of Subsection 1(a), taking into account the sanctions, if any, imposed by the Special Master. In amending the prior version of this Section in December 2000 and incorporating those amendments into this Section, the parties have not waived or affected their respective positions as to whether the Commissioner does or does not have authority to impose discipline for such violations against any Club, Club executive, or other Club personnel greater than the sanctions set forth in this Article, and those amendments shall not be considered in any resolution of that issue. For purposes of this Subsection 6(b), the term "Club personnel" shall not include players.

(c) Subject to the parties' mutual reservation of their respective positions in the next to last sentence of Subsection 6(b) above, the sanctions set forth in Subsections 6(a) and 6(b) above shall be the sole penalties under this Agreement for conduct in violation of Section 1 of this Article or Sections 1-3 of Article XVI (Certifications), and each of the sanctions set forth in Subsections 6(a) or 6(b) above may not be imposed more than once on the same person or Club for the same conduct, even if such conduct constitutes a violation of both Paragraph 1 of this Article and Paragraphs 1-3 of Article XVI (Certifications). All fines collected from players and agents, and all disgorged compensation collected from players pursuant to this Section 6, shall be contributed and allocated as prescribed in Article XI (Commissioner Discipline), Section 6 of the Collective Bargaining Agreement. For each League Year after the 2006 League Year, each of the maximum fines set forth in this Paragraph 6 shall increase by the same percentage as the increase in Projected TR for that League Year over the prior League Year's TR (up to a maximum of ten percent (10%) per League Year). The sanctions set forth in Sections 6(a) and 6(b) above shall not be implemented until the conclusion of any appeals thereof.

Section 7. Revenue Circumvention: In the event that a Club or anyone acting on its behalf fails to materially report or materially misreports Total Revenue ("TR") or non-TR in a manner designed to serve the purpose of defeating or circumventing the intention of the parties as reflected by the provisions of this Agreement with respect to such revenues, Class Counsel and any Players Union and/or the Management Council shall have the right to initiate a proceeding before the Special Master to determine whether such

conduct is in violation of this Section 7 of this Article. In the event that the Special Master finds a violation of this Section 7, the Special Master may impose a fine upon the Club of up to \$3 million, which shall be donated as additional contributions to the youth football programs fund referenced in Article X (Guaranteed League-wide Salary, Salary Cap, & Minimum Team Salary), Section 1(a)(xiv)(1)(A) above. For each League Year after the 2006 League Year, the maximum fine set forth in this Paragraph 7 shall increase by the same percentage as the increase in Projected TR for that League Year over the prior League Year's TR (up to a maximum of ten percent (10%) per League Year).

Section 8. Management Council Audit Rights. The Management Council shall have the right to audit records of Clubs and Club Affiliates to investigate allegations of violations of Section 1 of this Article. In agreeing to this Section, the parties have not waived or affected their respective positions as to whether the Management Council may conduct any Club-related audits beyond those set forth in the preceding sentence, and such amendment shall not be considered in any resolution of that issue.

Section 9. Prior Consultation. Reasonably prior to the initiation of a proceeding alleging a violation of Section 1(a) or 1(b) above, the parties shall confer in person or by telephone to attempt to negotiate a resolution of the dispute, and the charging party shall disclose to the other party (either Class Counsel or any Players Union, or the Management Council, as the case may be) all evidence (whether exculpatory or inculpatory) concerning such alleged violation (and provide a copy of all such evidence in documentary form), including but not limited to any such evidence that is the product

of any investigation by or on behalf of the charging party. All such evidence subsequently acquired by the charging party shall be subject to disclosure to the other party in any resulting proceeding. This section shall not require the disclosure of any attorney-client communication, or any work product created by or at the request of an attorney. In addition, any attempt by the League, the Management Council, or any Club to have discipline imposed on any person (including but not limited to a Club) for conduct in violation of Section 1(a) or 1(b) above shall be immediately disclosed to Class Counsel and any Players Union.

ARTICLE XVI
CERTIFICATIONS

Section 1. Contract Certification:

(a) Every Player Contract, or any renegotiation, extension or amendment of a Player Contract, entered into during the term of this Agreement shall contain a certification, executed separately by: (i) the person who executed the Player Contract on behalf of the Club, (ii) the player, and (iii) any player representative who negotiated the contract on behalf of the player confirming that the Player Contract, renegotiation, extension or amendment sets forth all components of the player's remuneration, for his playing of professional football, from the Club or Club Affiliate and that there are no undisclosed agreements of any kind, express or implied, oral or written, or promises, undertakings, representations, commitments, inducements, assurances of intent, or understandings of any kind: (a) involving consideration of any kind to be paid, furnished or made available or guaranteed to the player, or Player Affiliate, by the Club or Club Affiliate either prior to, during, or after the term of the Player Contract; or (b) concerning terms of any renegotiation and/or extension of any Player Contract by a player subject to a Franchise Player or Transition Player designation.

(b) In the same certification, the Club, player, and player representative will either confirm that, to the best of their knowledge, no conduct violative of Article XIII (Anti-Collusion) took place with respect to the contract, renegotiation, extension or amendment in question, or describe such conduct of which they are aware.

(c) In the same certification, the Club will confirm that any information regarding the negotiation of such contract provided to the Neutral Verifier pursuant to

Article XXIX (Consultation and Information Sharing), Section 4 was, at the time the information was provided, true and correct in all material respects.

(d) No contract will be approved by the Commissioner unless accompanied by the certifications required by Subsections (a), (b), and (c) above.

(e) Any failure to execute and submit a certification as required under Section 1(a) above may be deemed evidence of a violation of Article XV (Enforcement Of The Salary Cap And Entering Player Pool), Section 1 of this Agreement. Any failure to execute and submit a certification as required under Section 1(b) above may be deemed evidence of a violation of Article XIII (Anti-Collusion) of this Agreement. Any failure to execute and submit a certification as required under Section 1(c) above may be deemed evidence of a violation of that provision.

Section 2. End of League Year Certification:

(a) At the conclusion of each League Year, the executive primarily responsible for football operations on behalf of each Club shall submit to the Management Council a certification confirming that the Club has not, to the extent of his knowledge after reasonable inquiry of all owners and all employees with authority to negotiate Player Contracts, entered into any undisclosed agreements of any kind, express or implied, oral or written, or promises, undertakings, representations, commitments, inducements, assurances of intent, or understandings of any kind, as described in Article XV (Enforcement Of The Salary Cap And Entering Player Pool), Section 1. Upon receipt of such certification, the Management Council shall forward a copy of the certification to the NFLPA.

(b) At the conclusion of each League Year, each player agent representing a player who was under contract to an NFL Club during that League Year shall submit to Class Counsel or any Players Union a certification confirming, after reasonable inquiry of all personnel in his or her agency with authority to negotiate Player Contracts, that neither he or she nor they has entered into any undisclosed agreements of any kind, express or implied, oral or written, or promises, undertakings, representations, commitments, inducements, assurances of intent, or understandings of any kind, as described in Article XV (Enforcement Of The Salary Cap And Entering Player Pool), Section 1. Upon receipt of such certification, Class Counsel or any Players Union shall forward a copy of the certification to the Management Council.

(c) Any failure to execute and submit a certification as required under Section 2(a) or 2(b) above, may be deemed evidence of a violation of Article XV, Section 1 of this Agreement.

(d) At the conclusion of each League Year, the executive primarily responsible for football operations on behalf of each Club shall submit to the Management Council a certification confirming that the Club has not, to the extent of his knowledge after reasonable inquiry of all owners and all employees with authority to negotiate Player Contracts, violated the terms of Article XIII (Anti-Collusion), Section 1, nor received from the NFL or the NFL Management Council any communication disclosing that an NFL Club had negotiated with or is negotiating with any Restricted Free Agent, unless and until an Offer Sheet has been given to the Prior Club, or any Unrestricted Free Agent, prior to the execution of a Player Contract with that Unrestricted Free Agent, where such communication or disclosure is inconsistent with Article XIII

(Anti-Collusion), Section 1. Upon receipt of each such certification, the NFL shall forward a copy of the certification to Class Counsel or any Players Union.

(e) Any failure to execute a certification as required under Section 2(d) above may be deemed evidence of a violation of Article XIII (Anti-Collusion), Section 1 of this Agreement.

Section 3. False Certification: Any person or Club who knowingly executes or files a false certification required by Sections 1(a), 1(b), 2(a), or 2(b) of this Article shall be subject to a fine of up to \$375,000, upon a finding of such violation by the Special Master. Authority to impose such a fine shall rest with the Special Master or the Commissioner, consistent with the allocation of authority in Article XV (Enforcement Of The Salary Cap And Entering Player Pool), Section 6(b). Notwithstanding the foregoing, in no circumstances shall a fine under this section be imposed upon any person or Club if such person or Club is also being sanctioned for the same conduct under Article XV, Section 6 above.

ARTICLE XVII
NFL PLAYER CONTRACT

Section 1. Form: The NFL Player Contract form attached hereto as Appendix L will be used for all player signings. This form cannot be amended without the approval of the Management Council, Class Counsel and any Players Union.

Section 2. Term: The NFL Player Contract shall expire on the last day of the last League Year subject to such Contract.

Section 3. Changes:

(a) Notwithstanding Section 1 above, changes may be agreed to between a Club and a player in a player's contract or contracts consistent with the provisions of this Agreement.

(b) The NFL Player Contract shall provide that, other than any rights the player may have to object to this Agreement during its review by the Court, the player waives and releases any claims: (i) arising out of, related to, or asserted in this Action; and (ii) for conduct engaged in pursuant to this Settlement Agreement during the express term of the Agreement.

Section 4. Conformity: All Player Contracts signed prior to the execution of this Agreement and in effect during the term of this Agreement shall be deemed amended in such a manner to require the parties to comply with the mandatory terms of this Agreement.

Section 5. General, Notices, Prohibitions, etc.:

(a)(i) Any agreement between any player and any Club concerning terms and conditions of employment shall be set forth in writing in a Player Contract as soon as practicable. Each Club shall provide to the NFLMC a copy of each such Player Contract within two days of the execution of such contract by the player and the Club. The NFLMC shall provide to Class Counsel or any Players Union a copy of each executed Player Contract it receives from a Club within two business days of its receipt of such Player Contract. It is anticipated that each Club will send a copy of each such Player Contract to the NFLMC by overnight mail the day it is so executed, and the NFLMC will send a copy of such copy to Class Counsel or any Players Union by overnight mail the day it is so received. The NFLMC shall provide to Class Counsel or any Players Union any salary information received from a Club which is relevant to whether such Player Contract complies with Article V (Entering Player Pool) and/or Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary), within two business days following the NFL's receipt of such information. Promptly upon but no later than two business days after the signing of any Veteran with less than three Accrued Seasons to a Player Contract, the signing Club shall notify the NFLMC, which shall notify Class Counsel or any Players Union of such signing.

(ii) In the event that an Unrestricted Free Agent signs a Player Contract with a Club other than his prior Club between July 5 and July 15, the Player or his Agent shall promptly notify the Players Association, which will promptly notify the NFLMC in writing, and the New Club shall promptly notify the NFLMC, in writing,

of such signing. If neither the NFLMC nor the Players Association has received any such written notice prior to midnight on July 15, such Player Contract shall be deemed not to have been signed within the signing period prescribed by Article VII (Veteran Free Agency), Section 1(b)(i).

(b) Any agreement between any player or Player Affiliate and any Club or Club Affiliate providing for the player to be compensated by the Club or Club Affiliate for non-football-related services shall be set forth in writing and disclosed and provided to the NFLMC within five business days of the execution or making of the agreement. The NFLMC shall provide such information to Class Counsel or any Players Union within two business days of the receipt of such information.

(c) No Club shall pay or be obligated to pay any player or Player Affiliate (not including retired players) other than pursuant to the terms of a signed NFL Player Contract or a contract for non-football related services as described in Section 5(b) above. Nothing contained in the immediately preceding sentence shall interfere with a Club's obligation to pay a player deferred compensation earned under a prior Player Contract.

(d) During the period any Salary Cap is in effect, in addition to any rights a Club may presently have under the NFL Player Contract, any Player Contract may be terminated if, in the Club's opinion, the player being terminated is anticipated to make less of a contribution to the Club's ability to compete on the playing field than another player or players whom the Club intends to sign or attempt to sign, or another player or players who is or are already on the roster of such Club, and for whom the

Club needs Room. This Subsection shall not affect any Club or Club Affiliate's obligation to pay a player any guaranteed consideration.

(e) No Player Contract may contain any individually negotiated provision transferring any player intellectual property rights to any Club or Club Affiliate or any Club sponsor.

(f) No Club or player may agree upon any Player Contract provision concerning the termination of the contract that is inconsistent with the terms of this Agreement (including but not limited to the NFL Player Contract, Appendix L hereto), or the provisions of the NFL Constitution and Bylaws which are appended to the Side Letter dated July 24, 2006 from Harold Henderson to Eugene Upshaw, as they were operative and administered at the beginning date of the 2006 League Year (except any provisions relating to the 1982 CBA, which have been superseded by this Agreement). The parties disagree and reserve their rights with respect to whether a Player Contract may contain a commitment by the Club not to send a Qualifying Offer to an eligible player or not to designate a player as a Franchise or Transition player.

Section 6. Commissioner Disapproval:

(a) If the Commissioner disapproves a Player Contract for any reason, he must inform Class Counsel or any Players Union in writing of the reasons therefore by noon on the date following such disapproval.

(b) In the event the Commissioner disapproves any Player Contract as being in violation of the Salary Cap or Entering Player Pool, or any other provision of

the Settlement Agreement or corresponding provision of the Collective Bargaining Agreement, the filing of an appeal of such disapproval pursuant to Section 5 of Article XV (Enforcement of the Salary Cap) or Section 1 of Article XXII (Special Master), shall automatically stay the Commissioner's disapproval, and the player shall continue to be free to practice and play for the Club, until the Special Master (or the District Court acting in lieu of the Special Master) issues its ruling. Provided, however, that in the event such Special Master appeal is filed within one week of or after the first scheduled regular season game of the Club: (i) the appeal shall be conducted in an expedited manner and shall be concluded within five days of the filing date of such appeal; and (ii) the Special Master shall issue his ruling by the end of such five day period. Provided, further, that, in the event the appeal is filed after the Club's first preseason game, but before the date one week before the Club's first scheduled regular season game: (i) the appeal shall be conducted in an expedited manner and shall be concluded within ten days of the filing date of such appeal; and (ii) the Special Master shall issue his ruling by the end of such ten day period. If there is no ruling by the end of the periods prescribed in the preceding two sentences, or, for earlier filed appeals, by the day following the Club's third preseason game, the automatic stay shall be dissolved. If the Commissioner disapproves a Player Contract for any of the reasons stated above on a second occasion for the same player during a given League Year, and determines that such player should not be able to play, there shall be no stay of such disapproval pursuant to this agreement, unless it is determined that the Commissioner's second disapproval is arbitrary or capricious. This agreement shall not prejudice or affect in any way, or constitute a waiver with

respect to, any rights of class members to seek a stay or injunctive relief before the District Court, pursuant to the Federal Rules of Civil Procedure; nor shall it prejudice or affect in any way the rights of the NFL to oppose, or the arguments of the NFL in opposition, to such a stay.

Section 7. NFLPA Group Licensing Program: The NFL Player Contract shall include, solely for the administrative convenience and benefit of the player and the NFLPA, the provision set forth in Paragraph 4(b) of the NFL Player Contract (Appendix L hereto), regarding the NFLPA Group Licensing Program. Neither the League nor any Club is a party to, or a beneficiary of, the terms of that provision. No Club may enter into any agreement with a Player or Player Affiliate that is inconsistent with any rights granted to the NFLPA pursuant to Paragraph 4(b) of the NFL Player Contract; provided that this sentence is not intended and shall not be construed to override or restrict the rights granted to the Club and the League pursuant to Paragraph 4(a) of the NFL Player Contract.

Section 8. Good Faith Negotiation:

(a) In addition to complying with specific provisions in this Agreement, any Club or player engaged in negotiations for a Player Contract (including any Club extending, and any player receiving, a Required Tender) is under an obligation to negotiate in good faith.

(b) A Club extending a Required Tender must, for so long as that Tender is extended, have a good faith intention to employ the player receiving the Tender at

the Tender compensation level during the upcoming season. It shall be deemed to be a violation of this provision if, while the tender is outstanding, a Club insists that such a player agree to a Player Contract at a compensation level during the upcoming season below that of the Required Tender amount. The foregoing shall not affect any rights that a Club may have under the Player Contract, the CBA, or this Agreement, including but not limited to the right to terminate the contract, renegotiate the contract, or to trade the player if such termination, renegotiation, or trade is otherwise permitted by the Player Contract, the CBA, or this Agreement.

Section 9. Limitations on Salary Forfeitures:

(a) No forfeitures of signing bonuses shall be permitted, except that players and Clubs may agree: (i) to proportionate forfeitures of a signing bonus if a player voluntarily retires or willfully withholds his services from one or more regular season games; and/or (ii) that if a player willfully takes action that has the effect of substantially undermining his ability to fully participate and contribute in either preseason training camp or the regular season (including by willfully withholding his services in either preseason training camp or during the regular season or willfully missing one or more games), the player may forfeit the greater of: (a) 25% of the prorated portion of his signing bonus for the applicable League Year for the first time such conduct occurs after the beginning of training camp until the end of the season for his Club, and the remaining 75% prorated portion of his signing bonus for the applicable year for the second time such conduct occurs during that period that year; or (b) the proportionate amount of his

signing bonus allocation for each week missed (1/17th for each regular season week or game missed).

(b) If a player with a signing bonus forfeiture clause voluntarily retires and misses the remainder of the season, and the player then reports back to the Club in the subsequent season, then the Club must either (i) take the player back under his existing contract with no forfeiture of the remaining proportionate signing bonus allocation, or (ii) release the player and seek repayment of any remaining proportion of the signing bonus allocated to future League Years.

(c) No forfeitures permitted (current and future contracts) for signing bonus allocations for years already performed, or for other salary escalators or performance bonuses already earned.

(d) A player's right to receive and/or retain a signing bonus may not be conditioned on the player's participation in voluntary off-season programs or voluntary minicamps, or for adverse public statements, provided that the Club may have non-proratable participation bonuses for its off-season workout program.

(e) Player Contracts may not contain individually negotiated provisions for forfeiture relating to violations of the Policy on Anabolic Steroids and Related Substances or the NFL Policy and Program for Substances of Abuse (which policies will address this issue), or for failing any drug test.

(f) Except as provided above, existing contract forfeiture provisions entered into before the end of the 2005 regular season will be in full force and effect for the duration of the current contract, and any extensions resulting solely from effectuation of existing contract provision (e.g., option years). If a Player Contract with a forfeiture

provision entered into before the end of the 2005 regular season is otherwise extended or renegotiated, the amount of Salary agreed to in the contract prior to its extension or renegotiation shall be subject to forfeiture to the same extent as provided prior to such extension or renegotiation.

(g) For purposes of this Section 9, the terms "proportionate forfeitures" and "proportionate amount" mean 1/17th of that year's signing bonus allocation for each regular season week or game missed.

Section 10. Unless otherwise provided for in any Collective Bargaining Agreement, compensation for pre-season services shall be a matter of individual negotiation, and the NFL and its member Clubs shall not agree to pay any uniform wage for pre-season services.

ARTICLE XVIII
MUTUAL RESERVATION OF RIGHTS; LABOR EXEMPTION

Section 1. Subject to the provisions of this Article, upon the expiration or termination of this Agreement, no Class Member, the Players Association, Defendant or their respective heirs, executors, administrators, representatives, agents, successors and assigns (the "Parties"), shall be deemed to have waived, by reason of the settlement of this Action, the settlement and dismissal of other actions, the entry into or effectuation of this Agreement, any Collective Bargaining Agreement, or any Player Contract, or any of the terms of any of them, or by reason of any practice or course of dealing between or among any of the Parties, their respective rights under law with respect to the issues of whether any provision or practice authorized by this Agreement is or is not then a violation of the antitrust laws. Subject to the provisions of this Article, upon the expiration or termination of this Agreement, the Parties shall be free to make any available argument that any provision or practice authorized by this Agreement is or is not then a violation of the antitrust laws, or is or is not then entitled to any labor exemption.

Sections 2-3. [Omitted]

Section 4. In effectuation of this Agreement, the Parties agree that the labor exemption from the antitrust laws applies during the express term of the CBA dated May 6, 1993, and the extensions thereof through the extension effective as of March 8, 2006, and to any conduct of Defendants and any Players Union taken in accordance with the terms of such CBA during the express term of such CBA.

Section 5. (a) In effectuation of this Agreement, the Parties agree that, after the expiration of the express term of such CBA, then, if there is a Players Union in existence, the Parties agree that none of the Class Members or any player represented by any Players Union shall be able to commence an action, or assert a claim under the antitrust laws for conduct occurring, until either: (i) Defendants and any Players Union have bargained to impasse; or (ii) six months after such expiration, whichever is later; at that time, the Parties reserve any arguments they may make regarding the application of the labor exemption.

(b) In effectuation of this Agreement, the Parties agree that, after the expiration of the express term of any CBA, in the event that at that time or any time thereafter a majority of players indicate that they wish to end the collective bargaining status of any Players Union on or after expiration of any such CBA, the Defendants and their respective heirs, executors, administrators, representatives, agents, successors and assigns waive any rights they may have to assert any antitrust labor exemption defense based upon any claim that the termination by the players or any Players Union of its status as a collective bargaining representative is or would be a sham, pretext, ineffective, requires additional steps, or has not in fact occurred.

ARTICLE XIX
RELEASES AND COVENANTS NOT TO SUE

Section 1. Plaintiffs, all Class Members, and the Players Association, on behalf of themselves and their respective heirs, executors, administrators, representatives, agents, successors and assigns, release and hereby covenant not to sue, and covenant not to authorize the Players Association or any Players Union to sue, or to support financially or administratively, any suit against any of the Defendants, or their present and former officers, directors, trustees, employees, attorneys, affiliates, general or limited partners, heirs, executors, administrators, representatives, agents, successors and assigns, with respect to any antitrust or other claim asserted in the Complaint in this Action or the Related Litigation, including, without limitation, any such claim regarding past NFL Rules relating to the College Draft, Plan B, the first refusal/compensation system, the NFL Player Contract, pre-season compensation, or any other term or condition of employment.

Section 2. The Defendants, on behalf of themselves and their present and former officers, directors, trustees, employees, attorneys, affiliates, general or limited partners, heirs, executors, administrators, representatives, agents, or successors and assigns, release and hereby covenant not to sue or seek any relief against any of the Plaintiffs, Class Members or the Players Association, or their respective heirs, executors, administrators, representatives, agents, present or former officers, employees, attorneys, or successors and assigns, with respect to any claim asserted in this Action or the Related Litigation.

Section 3. Nothing in this Article shall prevent any Party from asserting that any of the other Parties has breached the terms of this Agreement, or has breached the terms of any Player Contract (except insofar as such claims have been expressly released), or shall affect the rights of any party under Article XIII (Anti-Collusion), Sections 5 and 6 above.

Section 4. In the event that any person, whether or not a party hereto, has asserted or will assert a claim against any Defendant, Plaintiff, Class Member, or the Players Association that arises out of or relates to any matter contained in this Agreement, no party hereto will assert any cross-claim against or seek to implead, or seek indemnification from, any other party with respect to such claim.

Section 5. Plaintiffs, Class Members, and the Players Association, on behalf of themselves and their respective heirs, executors, administrators, representatives, agents, successors and assigns, release and hereby covenant not to sue, and covenant not to authorize the Players Association or any Players Union to sue, or to support financially or administratively, any suit against any of the Defendants, or their present and former officers, directors, trustees, employees, attorneys, affiliates, general or limited partners, heirs, executors, administrators, representatives, agents, successors and assigns, for any alleged violation of the antitrust laws or any other provision of federal, state, or common law with respect to any conduct specifically authorized by this Agreement during the express term of this Agreement or any portion thereof. This provision survives the termination of this Agreement, but only with respect to conduct during the term of this Agreement prior to its expiration or termination.

Section 6. Plaintiffs, Class Members, Defendants, and the Players Association each hereby pledge their best efforts and cooperation (i) to defend the Agreement or Court Approval of the Agreement in any forum in which they may be challenged; and (ii) to implement the provisions of the Agreement in a manner consistent with good faith and fair dealing.

Section 7. All releases and covenants not to sue with respect to conduct authorized by this Agreement shall survive any termination of this Agreement, but only with respect to such conduct occurring during the express term of this Agreement and while such Agreement was in effect.

ARTICLE XX
FINAL CONSENT JUDGMENT

Section 1. Pursuant to the Final Consent Judgment in this Action, the Court shall retain jurisdiction over this Action to effectuate and enforce the terms of this Agreement and the Final Consent Judgment.

Section 2. Any NFL Club, whether a new franchise or a successor of a current NFL Club or otherwise, and the Players Association or any successor thereof, shall be bound by and have the benefits of the Agreement and the Final Consent Judgment.

ARTICLE XXI
IMPARTIAL ARBITRATOR

Section 1. Selection: The parties shall select one of the Non-Injury Grievance Arbitrators under the CBA who shall concurrently serve as the Impartial Arbitrator, who shall have exclusive jurisdiction to determine disputes that are specifically referred to the Impartial Arbitrator pursuant to the express terms of this Agreement.

Section 2. Scope of Authority: The powers of the Impartial Arbitrator and the rights of the parties in any proceeding before him or her shall be solely to determine disputes that are specifically referred to the Impartial Arbitrator pursuant to the express terms of this Agreement. In no event shall the Impartial Arbitrator have any authority to add to, subtract from, or alter in any way the provisions of this Agreement.

Section 3. Effect of Rulings: Rulings of the Impartial Arbitrator shall upon their issuance be final and binding upon all parties, except as expressly specified under this Agreement or as expressly agreed to among all parties.

Section 4. Discovery: In any of the disputes described in this Agreement over which the Impartial Arbitrator has authority, the Impartial Arbitrator shall, for good cause shown, grant reasonable and expedited discovery upon the application of any party where, and to the extent, he determines it is reasonable to do so and it is possible to do so within the time period provided for his determination. Such discovery may include the production of documents and the taking of depositions.

Section 5. Compensation of Impartial Arbitrator: The compensation to and costs of the Impartial Arbitrator in any proceeding brought pursuant to this Agreement shall be equally borne by (i) the NFL and (ii) Class Counsel or any Players Union. In no event shall any party be liable for the attorneys' fees incurred in any such proceeding by any other party.

Section 6. Procedures: All matters in proceedings before the Impartial Arbitrator shall be heard and determined in an expedited manner. A proceeding may be commenced upon 48 hours written notice served upon the party against whom the proceeding is brought and the Impartial Arbitrator, and the arbitration shall be deemed to have been commenced on the second business day after such notice was given. All such notices and all orders and notices issued and directed by the Impartial Arbitrator shall be served upon the NFL, counsel for the NFL, Class Counsel and any Players Union, in addition to any counsel appearing for individual NFL players or individual Clubs. The NFL, Class Counsel and any Players Union shall have the right to participate in all such proceedings, and Class Counsel and any Players Union may appear in any proceedings on behalf of any NFL player who has given authority for such appearance.

Section 7. Selection of Impartial Arbitrator: In the event that the parties cannot agree on the identity of an Impartial Arbitrator, the parties agree that the Impartial Arbitrator shall be randomly selected from the then-currently serving Non-Injury Grievance Arbitrators under the CBA. The Impartial Arbitrator shall serve for a two-year term commencing on the date of entry of the order of appointment, unless the parties agree

otherwise. The Impartial Arbitrator shall continue to serve for successive two-year terms unless notice to the contrary is given either by the NFL or Class Counsel and any Players Union. Such notice shall be given to the other party and the Impartial Arbitrator within the ninety days preceding the end of any term, but no later than thirty days prior to the end of such term. If necessary, a new Impartial Arbitrator shall be selected in accordance with the procedures of this Section. The NFL and Class Counsel and any Players Union may dismiss the Impartial Arbitrator at any time and for any reason upon their mutual consent.

ARTICLE XXII
SPECIAL MASTER

Section 1. Pursuant to the Final Consent Judgment, the Court shall appoint a Special Master agreed upon and recommended by the parties, who shall have exclusive jurisdiction to enforce the terms of this Agreement and the Final Consent Judgment (except as provided in this Agreement with respect to disputes determined by the Impartial Arbitrator), and who shall hold hearings on alleged violations thereof, subject to review by the Court in the manner set forth below.

Section 2. Scope of Authority: The powers of the Court and the Special Master and the rights of the parties in any enforcement proceeding shall be as set forth in Rules 53(a), (c), (d) and (e) of the Federal Rules of Civil Procedure; provided, however, that:

(a) The Special Master shall make findings of fact and recommendations of relief including, without limitation, damages (including damages referred to in Article XIII (Anti-Collusion), Section 9), contempt and specific performance;

(b) The Court shall accept the Special Master's findings of fact unless clearly erroneous and the Special Master's recommendations of relief unless based upon clearly erroneous findings of fact, incorrect application of the law, or abuse of discretion; except that, as to any finding concerning Article XIII (Anti-Collusion), any imposition of a fine of \$1,000,000 or more, or any finding that would permit termination of this Agreement, review shall be de novo;

(c) Subject to Subsections (a) and (b) above, the Court shall determine all points of law and finally make the award of all relief including, without limitation, contract damages, contempt and specific performance;

(d) Except for any matters for which the Court has de novo review of the Special Master's determinations (e.g., collusion, termination, or fines of \$1,000,000 or more), and except for fines for false certifications (as provided in Article XVI (Certifications), Section 3), rulings of the Special Master shall upon their issuance be binding upon and followed by the parties unless stayed, reversed, or modified by the Court or by an appellate court. In such other matters, the determination of the Special Master shall not take effect until reviewed and acted upon by the Court. In entertaining a request for a stay of a ruling of the Special Master, the Court shall apply the standard that an appellate court would apply to a request for a stay of a ruling of the Court. If and when a recommendation of the Special Master is reversed or modified by the Court or by an appellate court, and is no longer subject to further appeal, the effect of such reversal or modification shall be deemed by the parties to be retroactive to the time of issuance of the recommendation of the Special Master. The parties may seek appropriate relief to effectuate and enforce this provision.

(e) The Special Master's authority shall be limited to those items specifically set forth in this Agreement for Special Master review, as well as the review of any alleged violations of this Agreement.

Section 3. Discovery: In any of the disputes described in this Agreement over which the Special Master has authority, the Special Master shall grant reasonable and expedited discovery upon the application of any party where, and to the extent, he determines it is reasonable to do so. Such discovery may include the production of documents and the taking of depositions. Subject to rules to be agreed to by the parties, in any proceeding to

review any alleged violation of Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary) of this Agreement regarding any TR issue, the Special Master shall have the authority, upon good cause shown, to direct any Club to produce any tax materials disclosing any income figures for such Club or Club Affiliate (non-income figures may be redacted) which in his or her judgment relates to any such alleged violation, including but not limited to portions of any tax returns or other documents submitted to the Internal Revenue Service. Subject to rules to be agreed to by the parties, in any proceeding to review any alleged violation of Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary) and/or Article V (Entering Player Pool) of this Agreement regarding any Salary paid to any player(s), the Special Master shall have the authority, upon good cause shown, to direct any such player(s) to produce any tax materials disclosing any income figures for any such player or Player Affiliate (non-income figures may be redacted) which in his or her judgment relates to any such alleged violation, including but not limited to portions of any tax returns or other documents submitted to the Internal Revenue Service. In each case the Special Master shall not release such tax materials to the general public, and any such tax materials shall be treated as strictly confidential under an appropriate protective order.

Section 4. Compensation: The compensation and costs of retaining the Special Master shall be equally borne by (i) the NFL and (ii) Class Counsel or any Players Union. In no event shall any party be liable for the attorneys' fees incurred in any such enforcement proceeding by any other party, except as set forth in Article XIII (Anti-Collusion).

Section 5. Procedures: All matters in enforcement proceedings before the Special Master shall be heard and determined in an expedited manner. An enforcement proceeding may be commenced upon 72 hours written notice (or upon shorter notice if ordered by the Special Master) served upon the party against whom the enforcement proceeding is brought and filed with the Special Master. All such notices and all orders and notices issued and directed by the Special Master shall be served upon the NFL, counsel for the NFL, Class Counsel and any Players Union, in addition to any counsel appearing for individual NFL players or individual NFL Clubs. The NFL and Class Counsel and any Players Union shall have the right to participate in all such enforcement proceedings, and Class Counsel and any Players Union may appear in any enforcement proceedings on behalf of any NFL player who has given authority for such appearance.

Section 6. Selection of Special Master: In the event that the NFL and Class Counsel and any Players Union cannot agree on the identity of a Special Master to be appointed by the Court, the parties agree to submit the issue to the President of the American Bar Association (“ABA”) who shall submit to the parties a list of eleven attorneys (none of whom shall have nor whose firm shall have represented within the past five years players, player representatives, clubs or owners in any professional sport). If the parties cannot within thirty days of receipt of such list agree to the identity of the Special Master from among the names on such list, they shall alternately strike names from said list, until only one name remains, and that person shall be the Special Master. The first strike shall be determined by a coin flip. Upon approval by the Court, the Special Master shall serve for an initial two-year term commencing on the date of entry of the order of appointment.

Thereafter, the Special Master shall continue to serve for successive three-year terms unless notice to the contrary is given either by the NFL or Class Counsel and any Players Union. Such notice shall be given to the other party, the Court and the Special Master within the ninety days preceding the end of any term, but no later than thirty days prior to the end of such term. Following the giving of such notice, a new Special Master shall be selected in accordance with the procedures set forth in this Section 6. The NFL and Class Counsel and any Players Union may dismiss the Special Master at any time and for any reason upon their mutual consent.

Section 7. Penalties: Any monetary penalty assessed by the Special Master may be assessed only against a Club or Clubs or the League, as applicable, found to have violated this Agreement. In no event may the Special Master order relief, or assess any monetary penalty, against an individual Club owner, officer, or non-player employee.

ARTICLE XXIII
[OMITTED]

ARTICLE XXIV
[OMITTED]

ARTICLE XXV
DURATION OF AGREEMENT

Section 1. [Omitted]

Section 2. Effective Date/Expiration Date: Except as provided in Section 3 below, this Agreement shall be effective from March 8, 2006 until the last day of the 2012 League Year, except for the provisions relating to the Draft, Article IV (College Draft), which shall expire in the League Year immediately following the expiration or termination of this Agreement.

Section 3. Termination Prior to Expiration Date:

(a) Either Class Counsel or the Management Council may terminate both of the final two Capped Years (2010 and 2011) by giving written notice to the other on or before November 8, 2008. In that event, the 2010 League Year would be the Final League Year, and the Agreement would continue in full force and effect until the last day of that League Year, except for the provisions related to the Draft, which would expire as prescribed in Article IV (College Draft), Section 1.

(b) Either Class Counsel or the Management Council may terminate the final Capped Year of this Agreement (2011) by giving written notice to the other on or before November 8, 2009. In that event, the 2011 League Year would be the Final League Year, and the Agreement would continue in full force and effect until the last day of that League Year, except for the provisions related to the Draft, which would expire as prescribed in Article IV (College Draft), Section 1.

(c) **Provision Invalidated:** If at any time after Court Approval during the term of this Agreement, any provision of this Agreement is enjoined, declared null and void, rendered unenforceable or otherwise invalidated by a court of competent jurisdiction, and such court's order having become final and all appeals through the Court of Appeals having been exhausted, the provision in question shall be severed from the Agreement, and the remainder of the Agreement shall remain in full force and effect. Notwithstanding anything in this Subsection (c), either the NFL or Class Counsel shall have the right to terminate this Agreement if one or more of the following provisions is rendered invalid, null and void, or unenforceable: (1) Articles IV (College Draft), VII (Veteran Free Agency), X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary), XI (Final League Year), XIII (Anti-Collusion), and XVIII (Mutual Reservation of Rights; Labor Exemption); or (2) the provisions relating to the maintenance of a mandatory settlement class under Rule 23(b)(1). If either the NFL or Class Counsel wishes to exercise its option to terminate, it may do so by serving upon the other parties written notice of termination within 30 days of the date of such determination and any appeals relating thereto.

(d) **Termination Due To Collusion:** If at any time the conditions of Article XIII (Anti-Collusion), Section 16(a), (b) or (c) are satisfied, Class Counsel shall have the right to terminate this Agreement. To execute such a termination, Class Counsel shall serve upon the NFL written notice of termination within thirty days after the Special Master's report finding the requisite conditions becomes final and any appeals therefrom to the District Court have been exhausted. The Parties agree, however, that such termination shall be stayed if any Party appeals such finding to the Court of Appeals. All

Parties agree to seek and accept expedited review in any appeal of a collusion determination, with all the procedural limitations thereof. Thirty days after any expedited review by the Court of Appeals, and in the absence of a stay by the U.S. Supreme Court within ten days thereof, the termination shall be effective, unless the Parties agree otherwise. The Parties shall confer in person or by telephone during the thirty-day period to attempt to resolve the dispute.

(e) **No Waiver:** Any failure of the NFL or Class Counsel to exercise its right to terminate this Agreement with respect to any League Year in accordance with this Article shall not be deemed a waiver of or in any way impair or prejudice any right of any such party, if any, to terminate this Agreement in accordance with this Article with respect to any succeeding League Year.

Section 4. Effect of Early Termination on Player Contracts:

(a) If otherwise in compliance with this Agreement upon execution prior to notice of early termination, a Player Contract may not be found to violate this Agreement solely by reason of a subsequent early termination of this Agreement. For example, a Player Contract that, upon execution, complies with the 30% Rule set forth in Article X, Section 8(b), may not be found to violate the 30% Rule solely by reason of a subsequent early termination, although neither the Player nor the Club may, after notice of early termination of this Agreement, exercise any options, or otherwise exercise rights or take actions that would, upon exercise or implementation, cause the Player Contract to violate the 30% Rule.

(b) Except as otherwise provided in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary), the Salary Cap accounting treatment accorded to Player Contracts executed, or any options or other rights exercised, prior to any notice of early termination of this Agreement will not change, and such contracts will not be re-valued, solely by reason of such early termination.

(c) Contracts executed or renegotiated after any notice of early termination of this Agreement, as well as the exercise after such notice of any pre-existing option or contract rights shall be governed by the then-existing Salary Cap rules, taking into account the consequences of any such early termination (e.g., the conversion of 2009 to the Final Capped Year and the conversion of 2010 to an Uncapped Year).

Section 5. If this Agreement is terminated prior to its expiration (other than as provided in Article XXV, Subsections 3(a)-(b), above), the following rules apply:

(a) Class Counsel, the Players Association, any Players Union, and all Class Members may not assert a claim against Defendants for any conduct engaged in prior to such termination that was pursuant to and in compliance with this Agreement; however, nothing in this Agreement shall preclude or limit the right of Class Counsel, the Players Association, any Players Union, or any player to commence any new action with respect to any claims arising after such termination or against any conduct or threatened conduct of Defendants after termination;

(b) all Player Contracts that were entered into prior to such termination pursuant to the terms of this Agreement, and all assignments of such contracts, shall be deemed valid and enforceable, notwithstanding the termination of this Agreement; and

(c) this Action shall be maintained solely for the purpose of enforcing claims of violations of this Agreement arising prior to its termination.

ARTICLE XXVI
[OMITTED]

ARTICLE XXVII
GOVERNING LAW

To the extent that federal law does not govern the implementation of this Agreement or of the Final Consent Judgment, this Agreement and the Final Consent Judgment shall be construed and interpreted under, and shall be governed by, the laws applicable to contracts made and performed in the State of New York.

ARTICLE XXVIII
NOTICES

Any notice to be given under the terms of this Agreement whose method is not otherwise specified herein shall be given in writing by hand-delivery and first-class prepaid mail addressed as follows:

(1) To the National Football League:

The National Football League
280 Park Avenue
New York, New York 10022
Attention: Executive Vice President-
Labor Relations

cc: Covington & Burling LLP
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2401
Attention: Gregg H. Levy, Esq.

(2) To Any Players Union:

[address designated by any Players Union]
Attention: General Counsel

(3) To Class Counsel:

Dewey Ballantine LLP
1310 Avenue of the Americas
New York, New York 10019-6092
Attention: Jeffrey L. Kessler, Esq.
David G. Feher, Esq.

Weil, Gotshal & Manges
767 Fifth Avenue
New York, New York 10153
Attention: James W. Quinn, Esq.

(4) To an NFL Club:

At the principal address of such Club as then listed on the records of the NFL or at that Club's principal office.
Attention: President

- (5) To the Players Association
National Football League Players Association
2021 L Street, N.W.
Washington, D.C. 20036
Attention: General Counsel

or to such other persons or addresses as the parties hereto may designate in writing.

ARTICLE XXIX
CONSULTATION AND INFORMATION SHARING

Section 1. Consultation and Communications:

(a) In any Capped Year, during the period from March 1 through July 15, or the scheduled date of the first day of the first NFL training camp that season, whichever is later, of each League Year covered by this Agreement, the Executive Vice President for Labor Relations of the NFL (or his designee) shall meet in person or by telephone conference once a week with Class Counsel or the General Counsel of any Players Union (or his designee) for the purpose of reviewing each Club's Club Salary summary and advice regarding the interpretation of the Salary Cap rendered since the last such meeting, or as otherwise agreed to by the parties.

(b) Subject to any claim of attorney-client and/or work product privilege, any communications under this Section may be referred to or used by the NFL or Class Counsel or any Players Union in any proceeding. By agreeing to this Section, neither the NFL nor Class Counsel intends to waive or shall be deemed to have waived any attorney-client or other privilege with respect to any communications.

Section 2. Salary Summaries: During the period between March 1 and the first day of the regular season during any Capped Year, the NFL shall provide Class Counsel or any Players Union with Salary and Team Salary summaries for each Team on a weekly basis. Upon the first date of the regular season and during the remainder of any Capped Year, such information shall be provided as often as it is prepared for use by the NFL (but no less often than once each month). Prior to the first day of the regular season during any Uncapped Year, the NFL shall provide Class Counsel and any Players Union with an

estimate of Projected TR, and a revised estimate on the first day of each month thereafter in any such year.

Section 3. Notice of Invalid Contract: If the NFL informs a Club that a proposed player transaction would be inconsistent with or in violation of the terms of this Settlement Agreement or the Collective Bargaining Agreement as interpreted by the NFL, the NFL shall promptly notify Class Counsel and any Players Union that such an interpretation has been communicated and the basis for such interpretation. The NFL shall provide such notice as soon as possible, but in no event later than five (5) business days following the communication of such interpretation to the Club.

Section 4. Neutral Verifier: Class Counsel and any Players Union shall designate, subject to the reasonable approval of the NFL, a third party to serve as the neutral verifier of Player Contract offers (the "Neutral Verifier"). A Club that wishes to verify a Player Contract offer may contact the Neutral Verifier and request him or her to contact the Club that is asserted to have extended the offer, to verify the terms and conditions of the offer. The Neutral Verifier shall promptly contact the offering Club to ascertain such terms and conditions, and shall promptly advise the inquiring Club of such information, and shall promptly advise the affected player of the inquiry and the information communicated. Communications pursuant to this paragraph shall be by telephone or telecopy, and the costs of the Neutral Verifier shall be equally borne by the NFL on the one hand, and Class Counsel or any Players Union on the other hand.

Section 5. Copies: Within two (2) business days of their receipt by the NFL, the NFL shall provide to Class Counsel or any Players Union, at no expense, a copy of any and all Player Contracts and Offer Sheets that are entered into or extended during the term of this Agreement.

Section 6. Meetings: During each League Year covered by this Agreement, the Executive Vice President for Labor Relations of the NFL (or his designee) shall meet once a month with Class Counsel or the Executive Director of the Players Union (or his designee), for the purpose of reviewing the implementation of this Agreement.

Section 7. New Benefits: A sufficient amount of revenue from the 2010 and 2011 League Years shall be utilized, if necessary, to fund new benefits (as provided for in the Benefits Articles in the CBA) of at least \$3 million per Club for the 2006 League Year, \$3.5 million per Club for the 2007 League Year, \$4 million per Club for the 2008 League Year, and \$4.5 million per Club for the 2009 League Year, in order to allow a reasonably smooth growth of the Salary Cap in the 2006-09 League Years as agreed to by the parties.

**ARTICLE XXX
MISCELLANEOUS**

Section 1. The Defendants, the Class Members and Class Counsel shall, upon request therefor by any party hereto, execute and deliver such further documents and instruments and take such further steps as are reasonably necessary and appropriate to implement and effectuate the purposes of this Agreement and the Final Consent Judgment.

Section 2. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their heirs, executors, administrators, representative, agents, successors and assigns and any corporation into or with which any corporate party hereto may merge or consolidate.

Section 3. The NFL represents that it has been duly authorized to enter into and to execute this Agreement on behalf of itself and its members. Class Counsel hereby represents that it has been duly authorized to execute this Agreement on behalf of the Plaintiffs.

Section 4. The headings in this Agreement are solely for the convenience of the attorneys for the Parties and of the Court, and shall not be deemed part of, or considered in construing or interpreting, this Agreement.

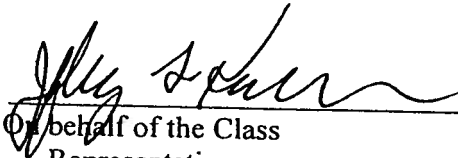
Section 5. The specification of any time period in this Agreement shall include any non-business days within such period, except that any deadline falling on a Saturday, Sunday, or Federal Holiday shall be deemed to fall on the following business day.

Section 6. All of the Appendices and Exhibits hereto are an integral part of this Agreement and of the agreement of the parties thereto.

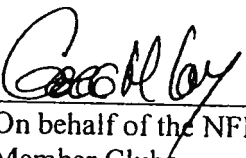
Section 7. The Parties shall not, in any proceeding or otherwise, use or refer to any parol evidence with regard to the interpretation or meaning of this Agreement. This Agreement may not be changed, altered or amended other than by a written agreement signed by the party sought to be charged with such change, alteration or amendment.

IN WITNESS WHEREOF, this Agreement is signed on the date first
above written.

DEWEY BALLANTINE LLP

By: 
On behalf of the Class
Representatives

COVINGTON & BURLING LLP

By: 
On behalf of the NFL and Its
Member Clubs

**APPENDIX A
LIST OF RELATED LITIGATION**

A. Player Cases

1. Allen v. Charges Football Co., Case No. CV-91-4322 CBM (JR_x) (C.D. Cal.)
2. Chandler v. Indianapolis Colts, Inc., Cause No. 54C01-9009-CP-0453 (Ind. Cir. Ct.)
3. Five Smiths, Inc. v. NFLPA, Civ. No. 4-90-261 (D. Minn.); No. 92-2118MNMI (8th Cir.)
4. Hebert v. Los Angeles Raiders, Civ. No. S023546 (Sup. Ct. Cal.)
5. Jackson v. NFL, Civ. No. 4-92-876 (D. Minn.)
6. Joyner v. NFL, Civ. No. 92-2876 (E.D. Pa.)
7. McNeil v. NFL, Civ. No. 4-90-476 (D. Minn.)
8. Morris v. New York Giants, Inc., (Arbitration before Hon. Bernard S. Meyer)
9. Mullin v. Los Angeles Rams Football Co., Case No. BC-021838 (Cal. Super. Ct.)
10. NFL v. NFLPA & Hilton, Civ. No. 4-91-877 (D. Minn.)
11. Powell v. NFL, Civ. No. 4-87-917 (D. Minn.); No. 91-3430MNMI (8th Cir.)
12. Solomon v. NFL, Civ. No. 92-1244-F (Tex. Dist. Ct.)
13. Tice v. Pro Football, Inc., Civ. No. 4-93-166 (D. Minn.) (on behalf of all White Class Members who have asserted claims relating to pre-season compensation, or on behalf of whom claims may have been asserted relating to pre-season compensation, except for claims individually asserted by Walter Stanley, Rod Barksdale, Matt Monger, Paul K. Blair, Cedric Jones, and Bernard Ford whose claims, if not settled in Tice, will be subsumed in White)

B. NLRB Cases

14. NFL Management Council v. NLRB, No. 92-1642; Dallas Cowboys Football Club, Ltd. v. NLRB, No. 92-1641; Barnes v. NLRB, No. 92-1534 (D.C. Cir.) (consolidated appeal)

C. Licensing Cases

15. Aikman v. AAA Sports, No. 92-CV-1457 (MJL) (S.D.N.Y.)
16. NFL Properties, Inc. v. Hi Pro Marketing, No. 92-CV-1456 (MJL) (S.D.N.Y.)
17. NFLPA v. Carrier, No. 92 CH 3281 (Ill. Cir. Ct.)
18. NFLPA v. Clayborn, No. 92-00984 (Ma. Superior Ct.)
19. NFLPA v. Fulcher, No. 92-CI-00604 (Ky. Cir. Ct.)
20. NFLPA v. Golic, No. C123-92 (N.J. Superior Ct.)
21. NFLPA v. NFL Properties, Inc., No. 90-CV-4244 (MJL) (S.D.N.Y.)
22. NFLPA v. Roby, No. 92-09092(15) (Fl. Cir. Ct.)

APPENDIX B

Paul Tagliabue
Commissioner
National Football League
410 Park Avenue, 13th Floor
New York, New York 10022

Re: White v. NFL, No. 4-92-906 (D. Minn)

Dear Paul:

This letter confirms that the National Football League Players Association, which financed the above-referenced litigation and is a party in certain of the related litigations which were settled in conjunction with the above referenced litigation, agrees that it will be legally bound by the terms of the Stipulation and Settlement Agreement, as amended March 8, 2006.

Sincerely,

Eugene Upshaw
Executive Director

**APPENDIX C
FIRST REFUSAL OFFER SHEET**

Name of Player:

Date:

Address of Player:

Name of New Team:

Name and Address of
Player's Representative
Authorized to Act for Player:

Name of Prior Team:

Address of Prior Team:

Principal Terms of NFL Player Contract With New Team:

[Supply Information on this Sheet or on Attachment]

1. Salary to be paid, guaranteed or loaned (i.e., Paragraph 5 Salary; signing, reporting and roster bonuses; deferred compensation (including the specified installments and the specified dates); amount and terms of loans, if any; and description of variation and method of calculation, if any, for Salary in Principal Terms that may be variable and/or calculable (i.e., only likely to be earned team incentives for New Team [not to exceed 15% of Salary] and generally recognized League-wide honors): [Please identify every component of such payment (e.g., signing bonus, salary, etc.) and indicate if any component or portion thereof is guaranteed or based upon specific incentives].

2. Modifications and additions to NFL Player Contract(s): [or attach marked-up copy of NFL Player Contract(s)]

3. Other terms (that need not be matched):

Player:

New Club:

By: _____

By: _____
Chief Operating Officer

**APPENDIX D
FIRST REFUSAL EXERCISE NOTICE**

Name of Player: _____ Date: _____
Address of Player: _____ Name of New Team: _____
Name and Address of _____ Name of Prior Team: _____
Player's Representative _____
Authorized to Act for Player: _____
Address of Prior Team: _____

The undersigned member of the NFL hereby exercises its Right of First Refusal so as to create a binding Agreement with the player named above containing the Principal Terms set forth in the First Refusal Offer Sheet (a copy of which is attached hereto), and those terms of the NFL Player Contract not modified by such Principal Terms.

Prior Team

By:

Chief Operating Officer

**APPENDIX E
WAIVER OF FREE AGENT RIGHTS**

I, the undersigned, hereby state that I have agreed to a Right of First Refusal at the end of my NFL Player Contract, as set forth in the documents attached to this waiver. I understand that, in so doing, I am giving up rights I have to be completely free to sign with other teams at the end of my contract. I also understand that no NFL team is permitted to force me to renounce these rights, which are rights that I have under the NFLPA/NFL collective bargaining agreement and the settlement of the Reggie White class action suit against the NFL. In exchange for renouncing these rights, I understand that I will receive the following additional compensation, if any, from my team:

By: _____

WITNESSED BY:

APPENDIX F
ACCOUNTANTS' REVIEW PROCEDURES

The information included in the Schedule of Team Salaries, Benefits, Player Costs, Cash Player Costs, and Total Revenues ("TR") of the NFL and its member clubs (the "Schedule"), which is not intended to be a presentation in accordance with generally accepted accounting principles, is to be prepared in accordance with the provisions of the SSA. The information on the Schedule is to be the responsibility of the management of the Clubs and the NFL.

The Management Council and Class Counsel and any Players Union are to retain a national accounting firm (the "Accountants") which will have the responsibility to perform certain procedures on the Schedule and report on the results of these procedures. The Accountants are to conduct procedures as agreed upon by the parties (the "Procedures"). The Procedures shall include examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. The Procedures shall also include an assessment of the significant estimates made by management, as well as an evaluation of the overall Schedule presentation.

A committee is to be established, the Settlement Agreement Salary Cap Review Committee (the "Committee"), consisting of six members with three representatives designated by each of (a) the Management Council and (b) Class Counsel and any Players Union. The Committee is to meet with the Accountants at least twice during the year, once prior to December 31st to review the scope of the Procedures described in the preceding paragraph and again to review the results of the Procedures reasonably before issuance of any Special Purpose Letter for that playing season.

The procedures detailed below and/or as otherwise agreed by the parties are and shall be designed to determine whether the Schedule represents, in all material respects, the Team Salaries, Benefits, Player Costs, Cash Player Costs and Total Revenues of the NFL and its Clubs for such League Year in accordance with the provisions of the SSA. The Accountants will perform the Procedures with respect to the Schedule for each League Year.

The Accountants may rely on the procedures performed by each member club's local accounting firm ("Local Accountants"), as agreed upon by the parties, or may test the procedures on a scope basis so as to permit the Accountants to obtain a reasonable basis to report upon the Procedures as referred above.

The Accountants will have access to and receive copies of the Local Accountants' workpapers of the Schedule (the "Workpapers"). If the Accountants need to review the financial audit workpapers or the corresponding financial statement of any Club or the League Office, this information will be held in confidence and not be part of the file subject to review by the Committee.

Procedures provided by the Management Council and Class Counsel and any Players Union to be performed by the Accountants

General

- The SSA, CBA, and all relevant side letters should be reviewed and understood.
- See Appendix F.1 for the form of the Accountants' Report.

- Examine the National Television and Cable contracts at the League Office and agree to amounts reported.
- Schedules of international broadcast should be obtained from the League Office. Schedules should be verified by agreeing to general ledgers and testing supporting documentation where applicable.
- All loans, advances, bonuses, etc. received by the League Office should be noted in the report and included in TR where appropriate.
- The Player Compensation and Revenues Reporting Package and instructions for the playing season should be reviewed and understood.
- All workpapers of the Accountants relative to its report on the Schedule shall be made available for review by representatives of the Management Council and Class Counsel and any Players Union prior to issuance of the report.
- A summary of all findings (including any unusual or non-recurring transactions) and proposed adjustments must be jointly reviewed with representatives of the Management Council and Class Counsel and any Players Union prior to issuance of the report.
- Any problems or questions raised should be resolved by the Committee.
- Estimates should be reviewed in accordance with the SSA. Estimates are to be reviewed based upon the previous year's actual results and current year activity. Estimates should be reconfirmed with third parties when possible.
- Revenue and expense amounts that have been estimated should be reconfirmed with the Controller or other team representatives prior to the issuance of the report.

- Where possible, team and League Office revenues and expenses should be reconciled to audited financial statements. This information is to be held in confidence.
- The Accountants should be aware of revenues excluded from TR. All revenues excluded by the teams or League Office should be reviewed to determine proper exclusion. The Accountants should perform a review for revenues improperly excluded from, or included in, TR.

Procedures provided by the Management Council and Class Counsel and any Players Union to be performed by the Local Accountants

General

- The local accountants shall conduct procedures as agreed upon by the parties.
- The SSA, CBA, and all side letters should be reviewed and understood by all Local Accountants.
- See Appendix F.2 for the form of the Local Accountants' Report.
- Special rules for Salary Cap counting such as annuities, loans, guarantees, deferrals, signing bonuses and the like should be reviewed and understood.

Team Salaries - Schedule 1

- Trace amounts to the team's general ledger or other supporting documentation for agreement.
- Foot all schedules and perform other clerical tests.

- Examine the applicable player contracts for all players listed, noting agreement of all salary amounts for each player, in accordance with the definition of salary in the SSA.
- Compare player names with all player lists for the season in question.
- Determine method used to value non-cash compensation is in compliance with methods outlined in the SSA.
- Examine trade arrangements to verify that each team has properly recorded its pro rata portion of the players' entire salary based upon roster days.
- Inquire of Controller or other representative of each team if any additional compensation was paid to players and not included on the schedule.
- Review "Miscellaneous Bonuses" to determine whether such bonuses were actually earned for such season.
- Review signing bonuses to determine if they have been allocated over the years of the Contract in accordance with the SSA.
- Review contracts to insure that any guaranteed amounts for future years are allocated, if applicable, over previous years in accordance with the provisions of this SSA.
- Compare the balances of player loans from the end of the prior period to the end of the current period and reconcile to the respective payment schedule in effect at the end of the prior period.

Benefits - Schedule 2

- Trace amounts to the team’s general ledger or other supporting documentation for agreement.
- Foot all schedules and perform other clerical tests.
- Investigate variations in amounts from prior year through discussion with the Controller or other representative of the team.
- Review each team’s insurance expenses for premium credits (refunds) received from carriers.
- Review supporting documentation as to the following expenses:

Players Pension	Workers Compensation
Severance Costs	FICA Social Security/Medicare
Disability Insurance	Unemployment Insurance
Medical/Dental/Life Ins.	Other Allowable Benefits

Player Costs - Schedule 3

- Perform procedures provided in Schedules 1 and 2 above and deduct amounts not includable in the definition of “Player Costs” in the CBA.

Cash Player Costs - Schedule 3A

- Perform procedures provided in Schedules 1 and 2 above and calculate Club’s “Cash Salary” and amounts committed to be spent by Club in the year under review for Player Benefits, to determine the Club’s contribution to Cash Player Costs (as defined in Article X, Section 4(d)(iv) for such year).

Revenues - Schedule 4

- Trace amounts to team's general ledger or other supporting documentation for agreement.
- Foot all schedules and perform other clerical tests.
- Trace gate receipts to general ledger and test supporting documentation where appropriate.
- Gate receipts should be reviewed and reconciled to League Office gate receipts summary.
- Luxury box revenues should be included in TR in a manner consistent with the SSA. Amounts included in TR, and deductions against such revenues should be verified to supporting documentation.
- Examine local television, local cable and local radio contracts. Verify to amounts reported by teams.
- When local broadcast revenues are not verifiable by reviewing a contract, detailed supporting documentation should be obtained and tested.
- All loans, advances, bonuses, etc. received by the team should be noted in the report and included in TR where appropriate.
- All amounts of other revenues should be reviewed for proper inclusion/exclusion in TR. Test appropriateness of balances where appropriate.

Questions

- Review with Controller or other representatives of the team the answers to all questions on this schedule.
- Review that appropriate details are provided where requested.
- Prepare a summary of all changes.

Revenue Reporting Procedures and List of Related Entities

- Review with Controller or other representatives of the team all information included on both schedules.
- Prepare a summary of any changes, corrections or additions to either schedule.

APPENDIX F.1
ACCOUNTANTS' AGREED-UPON PROCEDURES REPORT

We have performed the procedures as described in the accompanying Schedule A, which were agreed to by the National Football League Management Council, the National Football League Players Association and Class Counsel (collectively, the "Parties") with respect to the National Football League Office Reporting Package and the Reporting Packages of the Member Clubs of the National Football League, for the [insert] League Year, solely to assist the Parties in evaluating whether the Reporting Packages were prepared in accordance with the provisions and definitions contained in the Instructions to the Reporting Package. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Schedule 1 either for the purpose for which this report has been requested or for any other purpose.

Our findings are set forth in the accompanying Schedule B.

We were not engaged to, and will not perform an audit or examination, the objective of which would be the expression of an opinion on the Reporting Packages. Accordingly, we will not express such an opinion. If we were to perform additional procedures or if we were to perform an audit or examination of the Reporting Packages, other matters might have come to our attention that would have been reported to the Parties.

This report is intended solely for the use of the National Football League Management Council, the National Football League Players Association and Class Counsel and should

not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

**APPENDIX F.2
LOCAL ACCOUNTANTS'
AGREED-UPON PROCEDURES REPORT**

We have performed the procedures as described in the accompanying Schedule A, which were agreed to by the National Football League Management Council, the National Football League Players Association and Class Counsel (the "Parties") with respect to the Reporting Package of the [Member Club Name], a Member Club of the National Football League, for [insert] League Year, to assist the Parties in evaluating whether the Reporting Package was prepared in accordance with the provisions and definitions contained in the Instructions to the Reporting Package dated [insert]. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of the Parties. Consequently, we make no representation regarding the sufficiency of the procedures described in Schedule A either for the purpose for which this report has been requested or for any other purpose.

Our findings are set forth in the accompanying Schedule B.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the Reporting Package. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to the Parties.

This report is intended solely for the use of the [Member Club Name], the National Football League Management Council, the National Football League Players Association

and Class Counsel and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

APPENDIX F.3
REVENUE ACCOUNTING RULES

The following is a non-exclusive list of revenue accounting rules that were agreed to by the Parties prior to the 2006 League Year that continue in effect under this Agreement, as stated in Article X, Section 1(a). These rules apply to TR as of the 2006 League Year, and to DGR or Excluded DGR, as appropriate, prior to then. These rules apply only to the extent expressly stated below and shall not be used to support or impose an interpretation of any other provision of the Settlement Agreement or the Collective Bargaining Agreement. The Parties hereby confirm that, absent an express provision of the Agreement or this Appendix to the contrary, all revenue accounting rules applied prior to the 2006 League Year continue in effect, regardless of whether or not they are set forth or referenced in this Appendix or the text of the Agreement.

A. Cost of Goods Sold

In the event that a Club or Club Affiliate is regularly engaged in selling goods (e.g., concessions or merchandise) directly to the public, and incurs an actual out-of-pocket, direct cost for purchasing such goods (i.e., the purchase price paid to an unrelated third party including shipping costs and sales taxes paid, net of all discounts), and such goods are not sold to any individual or entity related in any manner to any Club owner or previous owner, then such "cost of goods sold" may be deducted from the calculation of the TR revenues for that Club. Allowable costs of goods deductions shall not include, without limitation: costs that are imputed or allocated in any manner; insurance; depreciation; amortization; costs incurred by any person other than the Club or Club Affiliate, including but not limited to such costs that are reimbursed by the Club or Club

Affiliate; maintenance expenses; expenses that have in any manner been shifted from another revenue source that was previously included in TR on a gross basis; marketing; advertising or promotional expenses; and interest or financing costs.

In the event that a Club or Club Affiliate is regularly engaged in selling directly to the public printed materials promoting the Club, NFL players, or NFL football, and the Club or Club Affiliate incurs an actual, out-of-pocket, direct cost in the production of such printed materials, and such goods are not sold to any individual or entity related in any manner to any Club or previous owner, then thirty-three percent (33%) of such costs may be deducted from the printed material revenue included in the calculation of the TR revenues for that Club. This paragraph is intended to supplement without modifying the immediately preceding paragraph pertaining to costs of goods sold.

B. Sponsorship Revenues

In the event that a Club provides tickets to any individual or entity having a sponsorship relationship with the Club (including tickets provided pursuant to any sponsorship contract), the face value of such tickets may be excluded from TR only if the tickets are excluded from TR under Article X, Section 1(a)(ii)(E). In any case, all sponsorship revenue from sponsors (whether cash or barter) less only the face value of any tickets provided by the Club which are otherwise included in TR shall be included in TR (i.e., a revenue amount that a Club receives from a sponsor in connection with the sponsor receiving tickets shall not be counted more than once).

In the event that a Club provides tickets to any individual or entity not having a sponsorship relationship with the Club, and the Club receives anything of value from such individual or entity, then the fair market value of the consideration received by the Club (whether cash or barter), less only the face value of any tickets provided by the Club which would otherwise be included in TR, shall be included in TR.

C. PSL Refunds

PSL revenues shall be reported net of actual refunds made in the year for which such revenues are reported. If an amount has been refunded, then the refunded amount shall be deducted from PSL revenues used in the calculation of TR. If there is a non-contingent contractual commitment to refund, but the refund is to be made at a later date, then the only amount included is the interest (i.e., deferred compensation interest rate) on the refund. Otherwise, all amounts are included regardless of any refund contingencies. If a refund contingency occurs and money previously included as PSL revenue is refunded, the NFL shall receive a credit against TR (i.e., League-wide TR shall be reduced) in the amount of the refund the next Salary Cap year.

D. Luxury Boxes, Suites and Premium Seating

Non-shared revenues relating to luxury boxes, suites and premium seating that are included in TR that are not included in Article X, Section 1(a)(i)(1) above will be included in the calculation only after the deduction of direct expenses for depreciation (subject to Article X, Section 4(e)(xi)), rent, interest and taxes. Where a deduction for

direct expenses for depreciation for such revenues is available, such direct expenses will be calculated using a reasonable period of depreciation, and will not include acquisition expenses not directly related to the construction or improvement of the luxury box, suite or premium seating.

There is no change in the depreciation methods for all stadiums existing as of the 1997 League Year. In addition, if a new stadium replaces the stadiums in place as of January 26, 1999 for any of the following Clubs: Arizona Cardinals, Chicago Bears, Cincinnati Bengals, Denver Broncos, Detroit Lions, Minnesota Vikings, Philadelphia Eagles, Pittsburgh Steelers, San Diego Chargers, San Francisco 49ers, Seattle Seahawks, or Tennessee Titans, then the un-depreciated costs of the luxury boxes at the old stadium will be accelerated into the final League Year of the old stadium and deducted in full as depreciation expense against luxury box revenues. For Jack Kent Cooke Stadium (which went into service in the 1997 League Year), and any other new stadium put into service in the 1998 League Year or thereafter, the depreciable lives for luxury boxes shall be as follows: (i) depreciation on the physical structure of the box (e.g., the concrete, steel, etc. used in the construction of the box) shall be 30 years (however, if the stadium lease term is less than 30 years, the parties agree to revisit the depreciation period for the specific stadium); (ii) depreciation on fixtures for the box (e.g., wiring costs, internal fixtures, etc.) shall be 12 years; and (iii) depreciation on newly purchased furniture and movable fixtures shall be 5 years.

Any revenues derived from or to be derived from any sale or conveyance of any right to revenue from luxury boxes, suites or premium seating that the NFL and Class Counsel and any Players Union do not agree to treat as a PSL pursuant to Article X, Section 1(a)(x)(7) will be included in TR on a straight line amortized basis over the period of time covered by the sale or conveyance of such rights, up to the maximum useful life of the luxury boxes, suites or premium seating, consistent with the first paragraph of this Section D. Any revenues derived from or to be derived from the multi-year lease or sale of luxury boxes, suites or premium seating, as a prepayment or otherwise, will be included in TR on a straight line amortized basis over the period of time covered by the multi-year lease or sale of such seating. If the Club or Club owner is required as part of the transaction to provide to the other party to the transaction with tickets to non-football events, the face value or fair market value of such tickets, whichever is lower, will not be included in the allocation.

E. Advertising

Advertising expenses in connection with broadcasts or cablecasts of games or other NFL-related programs are not allowable expenses, except that allowable reasonable and customary expenses for Clubs that produce the broadcast or cablecast themselves shall include payments to unrelated third parties for print, broadcast or cablecast advertising (including "spots") that promote the broadcast or cablecast itself (e.g., ads promoting the team alone are not an allowable expense, but ads promoting the broadcast or cablecast are an allowable expense).

F. Special Internet-Related Provisions

Revenues from the NFL Internet Network received by entities that are owned by substantially all of the NFL member Clubs and that are involved in Internet businesses related to the NFL (the "Network Entities"), or by any member Club of the NFL (including, without limitation, revenues from auctions to the extent the net revenues therefrom are no longer used for charitable purposes) will constitute revenue of the recipient entity to be included as part of such entity's contribution to TR, in accordance with Article X, Section 1(a)(i)(3) or 1(a)(i)(4), as the case may be, subject to netting by each entity of the reasonable and customary expenses incurred to generate, and directly related to the generation of, such revenues by the recipient entity, as agreed upon by the parties, or in the absence of such agreement, as determined consistently with the principles applicable to NFL.com as of January 26, 2001, by the jointly-retained Accountant; provided, that no negative number may result from such netting for any member Club (and/or its respective Club Affiliate(s)); and further provided that the aggregate result of netting for the Network Entities collectively may not be a negative number. Payments made to Players Inc pursuant to the Internet Agreement, dated January 26, 2001, and as subsequently extended and modified by the parties ("Internet Agreement") shall then be netted against the Internet revenues of the entities identified above (and allocated among such entities in accordance with their respective net revenues from Internet activities as determined in accordance with this Section) in the League Year in which such sums are paid to Players Inc; provided that the aggregate result of such netting may not be a negative number. The payments made to Players Inc pursuant to the Internet Agreement shall not themselves be separately deducted from aggregate League-

wide revenue in the calculation of TR. This paragraph does not apply to any non-Internet related revenues or expenses of any member Club, Club Affiliate, or Network Entity, which are governed by other provisions. The treatment of any negative numbers in connection with this paragraph shall be in accordance with the practice used as of the 2005 League Year.

If at any time, the Network Entities no longer dedicate auction proceeds to charity, then all proceeds from the auction site received by the Network Entities or any other NFL-related entity or the Clubs or any Club Affiliate will be included in calculating the NFL Ventures revenue included in TR in accordance with Article X, Section 1(a)(i)(4), net of the recipient entity's reasonable and customary (1) cost of goods sold, (2) fulfillment costs, (3) payments to players (through Players Inc, in the case of players represented on a group basis by Players Inc as exclusive agent under the Group Licensing Program) for services or items, (4) commissions and listing fees paid to the auction provider, (5) authentication costs, and (6) third-party site development and maintenance costs, in each case provided that such costs are incurred to generate, and are directly related to the generation of, such proceeds.

G. NFL Ventures/Non-Internet Expense Deductions

In calculating the net consolidated revenue of NFL Ventures to be included in TR pursuant to Article X, Section 1(a)(i)(4):

Expenses for NFL.com and Satellite TV that are both directly related to the project, and reasonable and customary, may be deducted from such revenues, with the amounts to be

determined by the Accountants. Allocations of expenses are permitted if sufficient evidence is provided to support their qualification for deductibility, and are subject to review and adjustment by the Accountants. However, no allocations may be made for salaries and benefits of employees of the NFL or any NFL-related entity, unless the person is documented to and in fact works at least 75% of the time on NFL.com and/or Satellite TV.

Deductible advertising expenses for NFL.com and Satellite TV shall include payments to unrelated third parties for print and broadcast advertising (including “spots”) that promote NFL.com and/or Satellite TV, but only if no other NFL product or service (or other product or service) is advertised.

H. [Omitted]

I. Naming Rights/Pouring Rights

1. If a Club or a Club Affiliate receives revenue in cash or barter for or in respect to pouring rights, such revenues shall be included in TR except to the extent set forth below.

2. If a Club or Club Affiliate receives revenues in cash or barter for or in respect to pouring rights at a stadium that serves as a venue for both the Club and Major League Baseball, the proportion of such revenues to be included in TR shall be limited to:

(i) for a Club or Club Affiliate that does not own or operate the stadium, any such revenues received by the Club or Club Affiliate from an unrelated third party, net of any

revenues transferred to, or received by the Club or Club Affiliate from, the MLB tenant in connection with such pouring rights revenues (for example, if, in connection with a pouring rights transaction, the Club receives \$500,000 from an unrelated third party which owns and operates the stadium, transfers \$300,000 in revenue to the MLB tenant, and receives real estate to be used as a parking lot with a value of \$150,000 from the MLB tenant, \$350,000 shall be included in TR); and (ii) for a Club or Club Affiliate that owns or operates the stadium, any such revenues received by the Club or Club Affiliate multiplied by a fraction, the numerator of which shall be the total attendance for all NFL games in the facility during the League Year in question (the "NFL Attendance") and the denominator of which shall be the sum of the NFL Attendance in the League Year in question plus the total attendance at all MLB games, if any, in the facility during the League Year in question. In no case shall there be any double-counting of revenue.

3. If a Club or a Club Affiliate receives revenue in cash or barter for or in respect to naming rights, such revenues shall be included in TR except to the extent set forth below.

4. Subject to Article X, Section 4(e)(xi) above, such revenues shall not be included in TR to the extent that they are used to pay for construction of a new stadium or for stadium renovations that increase TR; such exclusions from TR shall be governed by the same rules used to determine the extent to which PSL revenues are excluded from TR, except that any allocation of naming rights lump sum payments among League Years shall be in accordance with Appendix F.3, Section J below.

5. If a Club or Club Affiliate receives revenues in cash or barter for or in respect to naming rights at a stadium that serves as a venue for both the Club and Major

League Baseball, the proportion of such revenues otherwise eligible for inclusion in TR (see Paragraph 4 of this Section I above) (the “eligible revenues”) shall be limited to:

- (i) for a Club or Club Affiliate that does not own or operate the stadium, any eligible revenues received from an unrelated third party, net of any revenues transferred to, or received by the Club or Club Affiliate from, the MLB tenant in connection with such naming rights revenues (see the example in Paragraph 2 of this Section I above); and
- (ii) for a Club or Club Affiliate that owns or operates the stadium, sixty percent of eligible revenues received by the Club or Club Affiliate. In no case shall there be any double-counting of revenue.

6. The parties agree that to “operate” a stadium for purposes of this Section I means that the Club or Club Affiliate has the right to receive all naming and pouring rights revenues.

J. Lump Sum Payments, etc.

In the event that a Club or Club Affiliate receives or has received a lump sum payment for sponsorship or other rights for or with respect to multiple years, which revenues would otherwise constitute TR, such revenues shall be allocated among such years according to one of the following methods which the NFL Management Council may elect prior to the initial allocation of each respective lump sum payment:

- (i) in equal annual portions over a period of five (5) years or the duration of the rights, whichever is shorter; or
- (ii) in equal annual portions over a period of ten (10) years or the duration of rights, whichever is shorter; provided that interest from the League Year the

revenues are received until the League Years the revenues are allocated into TR shall be imputed and included in TR in equal portions over such periods, calculated on an annual compounded basis using the one-year Treasury Bill rate published in The Wall Street Journal of February 1 during the League Year in which the revenues are received.

If a Club enters into a multiyear contract pursuant to which revenues are to be received in different League Years, the contract's attribution of revenues to specific years shall not control the allocation of revenues among League Years for TR purposes if the allocation is inconsistent with the schedule for receipt of such revenues. In that case, and subject to the last two sentences in this paragraph, such revenues shall be allocated to the League Years they are received. If the amount received in any League Year is grossly disproportionate to the pro rata portion of the total amount to be paid, the Accountants shall bring such amount to the attention of the parties, which shall review the relevant facts and consider whether some other attribution is appropriate. For example, without limitation on any other example, if a three-year, \$15 million sponsorship contract states that \$4 million of the total amount to be paid to the Club is attributable to the first year, \$5 million is attributable to the second year, and \$6 million is attributable to the third year, but the Club in fact is paid \$5 million in the 2006 League Year, and is scheduled to be paid \$6 million in the 2007 League Year and \$4 million in the 2008 League Year, then \$5 million shall be allocated to TR in the 2006 League Year, and, if the other amounts are paid as scheduled, \$6 million will be allocated to TR in the 2007 League Year, and \$4 million will be allocated to TR in the 2008 League Year. This rule does not apply to the treatment of an initial or other payment received by a Club or Club Affiliate that the Club

or Club Affiliate asserts is attributable to the entire term or more than one year of a multiyear broadcast, sponsorship, concession, signage, or other contract (for example, without limitation on any other example, a lump-sum, up-front payment for a multi-year sponsorship contract). This issue is expressly left open.

K. Revenue Sharing

The gross receipts described in clause (1) of NFL 1995 Resolution G-6 that are paid into the revenue sharing pool established by such resolution and/or to any successor revenue sharing pool established pursuant to or in connection with the revenue sharing plan referenced in Article X, Section 11, shall, for TR accounting purposes, be considered revenue subject to gate receipt sharing among NFL Clubs, and thus be included in TR, subject to any applicable allocation or exclusion pursuant to Article X, Section 1(a)(x)-(xi). Such revenue shall be included only once (i.e., for the Club whose home games generate such gross receipts but not for any Club receiving revenue sharing distributions from such pool).

L. Multi-Use Stadiums

When a Club plays its home games in a multi-use stadium (e.g., the stadium is used for both NFL games and Major League Baseball or Major League Soccer games) that is owned, operated, or leased by the Club or Club Affiliate, signage revenues which are received by the Club or a Club Affiliate in consideration for the right to display such signage during both NFL games and Major League Baseball games shall be allocated

based on the total attendance in the stadium during the baseball and NFL seasons beginning in the same year (e.g., the 2005 baseball season and the 2005-06 NFL season). If a multi-use stadium is not used for Major League Baseball games or the revenues are received from an unrelated third party which owns, operates or leases the stadium, no allocation shall be made between the various sports and the entire amount of signage revenues received by the Club and/or Club Affiliate shall be included in the appropriate year(s).

Clubs may receive luxury box revenues in excess of ticket revenues subject to gate receipt sharing among NFL Clubs, when such revenue might also be attributable in part to the purchaser's right to use the luxury box to attend non-football events, such as baseball, if such right is included in the purchase of the box from the Club. When a Club receives revenues in excess of ticket revenue subject to gate receipt sharing among NFL Clubs from the sale of luxury box rights which also permit the purchaser to attend Major League Baseball games, a weighted allocation shall be made of such revenue between TR and baseball-related revenue, pursuant to the allocation method the parties agreed upon on October 20, 1994, based upon the respective ticket prices of the football and baseball tickets. No allocation shall be made, and the full amount of the revenues will be included in TR, to the extent that the purchaser also has the right to use the box to attend non-football events other than Major League Baseball. The allocation method agreed to by the parties will not affect the inclusion in TR of the ticket revenue subject to gate receipt sharing among NFL Clubs.

M. Advertising/Barter Transactions

The value assigned to revenue from barter transactions associated with advertising is to be based on the rate cards, and all other non-ticket barter transactions are to be valued at the fair market value of the goods or services received. However:

(i) For local radio and television promotions that are non-guaranteed (i.e., the station has the unilateral discretion to extinguish the Club's right to the promotion), the value assigned to revenues associated with such promotions will be zero, unless (a) such promotions have a stated value in the contract, in which case the assigned value will be twenty-five percent (25%) of the stated value, or (b) the lack of a stated value is grossly disproportionate to the actual value. Any promotion that a Club may sell or otherwise transfer to a third party is agreed to be guaranteed, notwithstanding any other terms of the contract.

(ii) For local radio and television promotions that are guaranteed, the value assigned to revenue associated with such promotions will be one hundred percent (100%) of rate card, or the stated amount in the contract where the contract specifies a stated dollar amount of advertising which the Club may draw against.

(iii) Where the total revenue value provided by a Club in a barter transaction associated with advertising is greater, using rate card valuation, than the revenue value received by the Club, and where the Club is transferring to an unrelated party its rights to advertising, and where the goods and services received by the Club in the barter transaction have been valued at fair market value, the assigned value for the advertising provided by the Club may be reduced by the Accountants from the rate card valuation on

a pro rata basis, where such reduction is needed to make the value of the goods and services provided by the Club equal to the value of the goods and services it received.

N. Off-Site Preseason Games

Clubs at times receive a flat amount for playing in off-site pre-season games (non-American Bowl), and also may be reimbursed for expenses. In such circumstances, only the flat amount received from the off-site game will be included in TR. Reimbursed expenses and unreimbursed expenses will not be included in TR.

O. Club Related Entities

Any entity which has the same ownership as a Club, or is controlled by the same persons or entities which own or control a Club, and is engaged in transactions with the Club will be treated as the same entity for the purposes of the TR Reporting Package and any audit with respect thereto. Any entity which does not fit the rule set forth in the first sentence of this paragraph, but which has partial common ownership with a Club, which is engaged in transactions with the Club, will have its transactions reviewed by the local accountants and the Accountants to confirm that any revenues and expenses in such transaction are reasonable.

P. Miscellaneous Revenues and Expenses

Revenue from premium charges on ticket sales in excess of the face value of the ticket (e.g., rebates from ticketing sources); revenue from scrimmages and training camps; and

broadcast revenue from a Coach's show or pre-game and post-game show received by a Club will be included in TR. However, revenue from scrimmages or training camps that are donated to charities will not be included in TR. Credit card charges related to ticket sales are not considered a deductible "surcharge" and will not be offset against gate receipts. If a Club charges a service fee on the tickets it sells in excess of the face value of the ticket, on a ticket account basis and not on a per-ticket basis (which fee is limited by the League to a \$4 per ticket account), such service fee will not be TR.

Charitable contributions made by sponsors or other entities that have a commercial relationship with a Club, to charitable entities affiliated with or designated by a Club (e.g., charitable foundations), pursuant to a contract with the Club, are Club revenues, and shall be classified as TR or non-TR, as appropriate, except if the commercial relationship is a relationship between a Club and a player.

If a player fine is a deduction from a player's salary which is never paid (and thus not included in a W-2), it is not included in Salary or TR. If a fine is paid by the player, either as a deduction from gross salary or in a separate payment, it is counted as Salary. If the Club gives a fine to charity, it is not included in TR. If the Club spends a fine on behalf of all players for specific purposes that it (or any other Club) had previously earmarked as being paid by fine money for the benefit of all players (such as player parties), and the players were (and are) expressly notified of such specific earmarking, the fine is not included in TR. If the Club keeps a fine, it is included in TR. Any fine assessed by and paid to the League is not included in TR.

The value of in kind provisions to the League office under contracts made by NFL Ventures or its subsidiaries (e.g., airline tickets) will not be included in TR. The value of in kind provisions distributed or provided to Clubs under such contracts will be included in TR; the value of such provisions will be based upon actual usage or consumption by each Club (the Clubs will be responsible for tracking such usage or consumption).

Salary or other compensation paid to a Club owner relating to a pre-game or other broadcast program may not be deducted from TR as an expense item pursuant to Article X, Section 1(a)(i)(2). Such salary or other compensation paid to coaches may be deducted as such an expense item, up to a maximum of \$125,000 each League Year per Club per coach, if such expense is actually incurred.

**APPENDIX G
[OMITTED]**

[APPENDIX H -- FROM 1993 SSA]

(except as provided in Article VIII (Franchise and Transition Players), subparagraph 3(a) and paragraph 11).

XII. SETTLEMENT PAYMENTS

1. Defendants shall, in the manner set forth in this Article XII, pay the Fund (as defined in paragraph 7 below), for the benefit of the Class Members, the sum of \$115,000,000 solely in consideration of the dismissal with prejudice, and without further cost, of this Action.

2. Defendants shall, in the manner set forth in this Article XII, pay the Fund, for the benefit of the Class Representatives, the sum of \$2,123,852 solely in consideration of the dismissal with prejudice, and without further cost, of this Action.

3. In addition, Defendants have separately agreed, as part of a global settlement of the actions referred to in this Article XII, to pay the sum of \$30,000,000 solely in consideration of the settlement of the NLRB Cases in the Related Litigation.

4. In addition, Defendants have separately agreed, as part of a global settlement of the actions referred to in this Article XII, to pay the sum of

\$10,000,000 solely in consideration of the settlement of the Licensing Cases in the Related Litigation.

5. In addition, Defendants have separately agreed, as part of a global settlement of the actions referred to in this Article XII, to pay the sum of \$19,028,628, in the respective amounts set forth in Appendix G, solely in consideration of the Player Cases in the Related Litigation.

6. In addition, Defendants have separately agreed, as part of a global settlement of the actions referred to in this Article XII, to pay \$18,847,520 to the Fund, for the benefit of the Players Association, for expenses which the Players Association has incurred or will incur for the attorneys fees and costs in the prosecution of this Action and all of the Related Litigation. Neither Plaintiffs, any Class Member, the Players Association, nor Class Counsel shall make any application to the Court for any reimbursement or recovery of any legal fees or costs from the Fund.

7. Defendants shall pay the total amount of money set forth in paragraphs 1 through 6 above, \$195,000,000, to an interest bearing account to be designated by Class Counsel on behalf of the Class Members,

the Class Representatives, the Plaintiffs and Beneficiaries of the Related Litigation, and the Players Association (the "Fund"), in accordance with the following schedule: (a) \$70,000,000 within ten days of Court Approval; (b) \$27,000,000 on October 15, 1993; and (c) the remaining \$98,000,000 in five equal annual installments of \$19,600,000 on October 15 of each year from 1994 through 1998. At their sole discretion, Defendants may choose to pay any portion of the above amounts to the Fund before the specified date.

8. The \$70,000,000 payment to be made within ten days of the Court Approval shall be allocated approximately as follows (actual amounts may vary due to administrative costs of distribution, interest accrued, declined amounts, and correction of factual assumptions): (a) \$17,000,000 to Class Members, with \$5,000,000 of such payment allocated to Class Members having claims for pre-season pay; (b) \$21,847,520 to the beneficiaries of the NLRB litigation specified in Appendix A; (c) \$10,000,000 to the Players Association in settlement of the licensing litigation specified in Appendix A in which the Players Association is a party; (d) \$2,123,852 to the Class Representatives; and (e) \$19,028,628 to the plaintiffs in the Related Litigation.

9. The \$27,000,000 payment to be made on October 15, 1993 shall be allocated as follows: (a) \$18,847,520 to the Players Association in reimbursement for the legal fees and costs described in paragraph 6 above; and (b) \$8,152,480 to the beneficiaries of the NLRB litigation specified in Appendix A.

10. The remaining \$98,000,000 balance to be paid in five equal annual installments of \$19,600,000 on October 15 of each year from 1994 through 1998 shall be allocated to the Class Members.

11. As approved by the Court, the Fund is intended to be treated as a "qualified settlement fund" within the meaning of Treasury Regulations under Section 468B of the Internal Revenue Code of 1986. The administrator of the Fund shall be a financial institution in New York City or Washington, D.C. (the "Receiving Agent"). Promptly after this Agreement is executed, the Receiving Agent shall establish the Fund at a bank in New York City or Washington, D.C. Amounts held in the Fund shall be distributed to the Class Members, the Class Representatives, the Plaintiffs and Beneficiaries of the Related Litigation, and the Players Association, under the direction of the Receiving Agent in accordance with the

terms of this Agreement and the Plan of Distribution, annexed hereto as Exhibit H. The Receiving Agent shall enter into an agreement with Class Counsel or any Players Union (on behalf of the beneficiaries of this Agreement), providing for the duties and responsibilities of the Receiving Agent consistent with this Agreement. All monies deposited in the Fund shall, subject only to the provisions of this Agreement, be the property of the beneficiaries thereof upon deposit and shall not revert to the Defendants or any related party except as pursuant to the terms of this Agreement.

12. Class Counsel agrees to use its reasonable efforts to require the Receiving Agent (1) to join in a "relation back" election pursuant to Treas. Reg. § 1.468B-1(j)(2) to permit the Fund to constitute a "qualified settlement fund" as of the date on which the Fund is established, if such election is requested by Defendants, and (2) to use its reasonable efforts, consistent with this Agreement, to assure that the Fund continues and maintains its status as a "qualified settlement fund" throughout its existence. If Defendants request the Receiving Agent to make such "relation back" election, Defendants will cooperate with the Receiving Agent in the preparation of such election and attach a copy of such election to all

appropriate tax returns as required by Treas. Reg. § 1.468B-1(j)(2). If material additional expense is incurred in complying with the requirements of this paragraph, Defendants shall promptly reimburse any such expense.

13. Interest earned on amounts in the Fund may be applied to pay for any reasonable costs the Receiving Agent incurs in administering the Fund.

14. The NFL shall notify the Receiving Agent within two days after the payment of any funds into the Fund. In making all payments to the Fund, Defendants shall not, for any reason whatsoever, make any deduction, offset, reduction or diminution in the amount of the payment or the Fund.

15. The Receiving Agent shall direct the bank at which the Fund is maintained to act as disbursing agent for the purpose of preparing and mailing checks to each beneficiary for his or its respective share of the Fund, and to discharge related ministerial functions such as the reissuance of lost or stale checks. Each check disbursing amounts from the Fund to any plaintiff, Class Representative, or Class Member will notify such plaintiff, Class Representative, or Class Member that his endorsement of the check acknowledges full and complete satisfaction of

any claims for any conduct engaged in up to and including the 1992 League Year covered by the terms of the releases set forth in this Agreement.

16. No interest shall be payable by Defendants with respect to any of the amounts paid into the Fund on the due date thereof. However, payments not made on such date shall bear interest from such date to the actual date of payment, at the Treasury Bill rate published in the Wall Street Journal on the due date or the actual date of payment, whichever is greater.

17. Any dispute, controversy or question relating to the distribution of any portion of the Fund in accordance with the Plan of Distribution (including undeliverable checks), which the Receiving Agent is not otherwise able to resolve, shall be resolved in such manner as the Special Master shall determine.

18. The initial \$17,000,000 payment to the Fund shall be distributed by the Receiving Agent to Class Members, with \$5,000,000 of such payment distributed to Class Members having claims for pre-season pay, as soon as reasonably practical following Court Approval. The initial \$10,000,000 payment to the Players Association in settlement of the licensing litigation specified in Appendix A shall be

distributed by the Receiving Agent to the Players Association as soon as reasonably practical following Court Approval. As soon as reasonably practical after the Closing Date, as described in paragraphs 6-8 above, the Receiving Agent shall distribute to the relevant Class Members and Beneficiaries the remaining assets then held in the Fund, in accordance with the distribution formula approved by the Court.

19. In the event that any Plaintiff, Class Member, or Class Representative to whom money is distributed does not accept a payment to him from the Fund within ninety days of his receipt of such distribution, such payment shall revert to Defendants, together with all interest thereon. A distribution check that is returned to the Receiving Agent with a marking of "address unknown" or any similar marking shall not be deemed to have been received or not accepted by the Class Member.

20. In the event that this Agreement fails to receive Court Approval, or if any appeal of such Court Approval (including any U.S. Supreme Court review) is not resolved in such manner to permit the effectuation of this Agreement, and either Defendants or Class Counsel or any Players Union exercise its right to terminate this Agreement

pursuant to the terms of Article XXVI (Termination Prior To Expiration Date), then all payments made pursuant to this Article XII (Settlement Payments), other than the distributed part of the initial payment of \$17,000,000 made to the Fund for the benefit of Class Members pursuant to Article XII, paragraph 8, shall revert to Defendants, together with all interest thereon. In the event such right to terminate is exercised, the Players Association agrees to repay the \$10,000,000 distributed to it pursuant to Article XII, paragraph 8, in equal annual installments, without interest thereon, commencing ninety days after the date of termination up to and including such date in the year 2000.

21. Class Counsel and the Receiving Agent shall supply the Court and Defendants with a final accounting showing the distribution from and all of the charges to the Fund as of the date of expiration of the Agreement. Such accounting shall be filed within six months of the expiration of the Agreement, or within six months of the termination of this Agreement pursuant to Article XXVI (Termination Prior to Expiration Date), paragraph 2-4. The expenses of the final accounting shall be paid from accrued interest or undistributed payments from the Fund.

22. Except as otherwise expressly provided in this Agreement, the parties agree that timely deposit of the settlement payments described in paragraph 1 will constitute the entirety of Defendants' monetary obligations under the terms of both this Agreement and the Final Consent Judgment, including any and all expenses, costs, disbursements, settlement obligations, damage awards, and attorneys' fees that may arise from this Action or any of the Related Actions.

XIII. ANTI-COLLUSION PROVISIONS

1. Prohibited Conduct. No Club, its employees or agents, shall enter into any agreement, express or implied, with the NFL or any other Club, its employees or agents, to restrict or limit individual Club decision-making as follows:

(a) whether to negotiate or not to negotiate with any player;

(b) whether to submit or not to submit an Offer Sheet to any Restricted Free Agent;

(c) whether to offer or not to offer a Player Contract to any Unrestricted Free Agent or Undrafted Rookie;

APPENDIX H

PLAN OF DISTRIBUTION

Defendants will make total settlement payments to the Fund for the benefit of the Class in the amount of approximately \$115 million. Approximately \$110 million will be distributed to individual class members based upon the calculation of points described below. The remaining \$5 million will be distributed to individual class members who were veteran players and were released by their teams during the NFL pre-season or early in the regular season of 1989-92, as described in the pre-season pay calculation described below.

1. Calculation Of Regular Season Points.

Class members will receive points, which will be used to calculate their damages. The value of each point will be determined by dividing the total damages amount for non-preseason claims (approximately \$110 million) by the total number of points to which class members are entitled. Individual class members will be awarded points as follows:

-- One point will be awarded to each class member who, in the 1990, 1991 or 1992 League Years: (i) was one of the 37 "protected" players on an NFL Club, and (ii) had a previous contract expire on February 1 of the League Year in which he was "protected," and (iii) entered into a new contract with his previous club for that League Year. Such a class member will receive one additional point for each subsequent League Year of his contract in which he was one of his team's 37 "protected" players.

-- One half of one point will be awarded to each class member, who in the 1990, 1991 or 1992 League Years: (i) was one of the 37 "protected" players on an NFL club, and (ii) had a previous contract expire on february 1 of the League Year in which he was "protected," and (iii) entered into a new contract covering the season in which he was "protected" before his previous contract expired. Such a class member will receive an additional one half of one point for each subsequent League Year of his contract in which he was one of his team's 37 "protected" players.

-- One half of one point will be awarded to each class member who, in the 1989 League Year: (i) was one of the 37 "protected" players on an NFL club, and (ii) had a previous contract that expired on February 1, 1989, and (iii) entered in to a new contract with his previous club for the 1989 League Year. Such a class member will receive one additional half point for each subsequent League Year of his contract in which he was one of his team's 37 "protected" players.

-- One quarter of one point will be awarded to each class member who, in the 1989 League Year: (i) was one of the 37 "protected" players on an NFL club, and (ii) had a previous contract that was scheduled to expire on February 1, 1989, and (iii) entered into a new contract covering the 1989 League Year before February 1, 1989. Such a class member will receive an additional one quarter of one point for each subsequent year of his contract in which he was one of his team's 37 "protected" players.

2. Pre-Season Calculation.

Class members with claims for the deprivation of pre-season pay will be assigned pre-season points in accordance with the formula set forth below. The value of a pre-season point will be determined by dividing the sum of \$5 million by the total number of pre-season points assigned. Players will receive one-tenth of one point for each hundred dollars of their claims, or fraction thereof. The amount of each player's "claim" is equal to the amount he was entitled to earn under Paragraph 6 of his NFL player contract minus whatever amount he was actually paid by his team prior to being released in the pre-season or early in the regular season in 1989-92.

3. Class Representatives.

The Class Representatives will not receive any points for contracts entered into while restricted in 1989, 1990, 1991 and/or 1992 (except for the extension points described below), but will instead receive the following amounts: Reggie White -- \$0; Michael Buck -- \$134,805; Vann McElroy -- \$470,194; Hardy Nickerson -- \$494,836; David Duerson -- \$98,302; Albert Lewis -- \$711,600; Wayne Radloff -- \$214,115. In addition, Reggie White will receive one and one-half points because he entered into a three-year contract extension in 1990 before being restricted in that year, and Hardy Nickerson will receive one point because he

had a contract extension for 1991 and 1992 before being restricted in those years.

4. Pre-Existing Cases.

Individual plaintiffs in the related player lawsuits that are being settled concurrently with the class action are not to receive any points for claims in those cases that are co-extensive with claims they may have in the class action.

**APPENDIX I-K
[OMITTED]**

**APPENDIX L
NFL PLAYER CONTRACT**

THIS CONTRACT is
between _____,
hereinafter "Player,"
and _____, a
_____ corporation
(limited partnership) (partnership), hereinafter "Club," operating under the name of the
_____ as a member of the National Football
League, hereinafter "League." In consideration of the promises made by each to the
other, Player and Club agree as follows:

1. TERM. This contract covers _____ football season(s), and will begin on the date of execution or March 1, _____, whichever is later, and end on February 28 or 29, _____, unless extended, terminated, or renewed as specified elsewhere in this contract.

2. EMPLOYMENT AND SERVICES. Club employs Player as a skilled football player. Player accepts such employment. He agrees to give his best efforts and loyalty to the Club, and to conduct himself on and off the field with appropriate recognition of the fact that the success of professional football depends largely on public respect for and approval of those associated with the game. Player will report promptly for and participate fully in Club's official mandatory minicamp(s), official preseason training camp, all Club meetings and practice sessions, and all preseason, regular season and postseason football games scheduled for or by Club. If invited, Player will practice for and play in any all-star football game sponsored by the League. Player will not participate in any football game not sponsored by the League unless the game is first approved by the League.

3. OTHER ACTIVITIES. Without prior written consent of the Club, Player will not play football or engage in activities related to football otherwise than for Club or engage in any activity other than football which may involve a significant risk of personal injury. Player represents that he has special, exceptional and unique knowledge, skill, ability, and experience as a football player, the loss of which cannot be estimated with any certainty and cannot be fairly or adequately compensated by damages. Player therefore agrees that Club will have the right, in addition to any other right which Club may possess, to enjoin Player by appropriate proceedings from playing football or engaging in football-related activities other than for Club or from engaging in any activity other than football which may involve a significant risk of personal injury.

4. PUBLICITY AND NFLPA GROUP LICENSING PROGRAM.

(a) Player grants to Club and the League, separately and together, the authority to use his name and picture for publicity and the promotion of NFL Football, the League or any of its member clubs in newspapers, magazines, motion pictures, game programs and roster manuals, broadcasts and telecasts, and all other publicity and advertising media,

provided such publicity and promotion does not constitute an endorsement by Player of a commercial product. Player will cooperate with the news media, and will participate upon request in reasonable activities to promote the Club and the League. Player and National Football League Players Association, hereinafter "NFLPA," will not contest the rights of the League and its member clubs to telecast, broadcast, or otherwise transmit NFL Football or the right of NFL Films to produce, sell, market, or distribute football game film footage, except insofar as such broadcast, telecast, or transmission of footage is used in any commercially marketable game or interactive use. The League and its member clubs, and Player and the NFLPA, reserve their respective rights as to the use of such broadcasts, telecasts or transmissions of footage in such games or interactive uses, which shall be unaffected by this subparagraph.

(b) Player hereby assigns to the NFLPA and its licensing affiliates, if any, the exclusive right to use and to grant to persons, firms, or corporations (collectively "licensees") the right to use his name, signature facsimile, voice, picture, photograph, likeness, and/or biographical information (collectively "image") in group licensing programs. Group licensing programs are defined as those licensing programs in which a licensee utilizes a total of six (6) or more NFL player images on or in conjunction with products (including, but not limited to, trading cards, clothing, videogames, computer games, collectibles, internet sites, fantasy games, etc.) that are sold at retail or used as promotional or premium items. Player retains the right to grant permission to a licensee to utilize his image if that licensee is not concurrently utilizing the images of five (5) or more other NFL players on products that are sold at retail or are used as promotional or premium items. If Player's inclusion in a particular NFLPA program is precluded by an individual exclusive endorsement agreement, and Player provides the NFLPA with timely written notice of that preclusion, the NFLPA will exclude Player from that particular program. In consideration for this assignment of rights, the NFLPA will use the revenues it receives from group licensing programs to support the objectives as set forth in the Bylaws of the NFLPA. The NFLPA will use its best efforts to promote the use of NFL player images in group licensing programs, to provide group licensing opportunities to all NFL players, and to ensure that no entity utilizes the group licensing rights granted to the NFLPA without first obtaining a license from the NFLPA. This paragraph shall be construed under New York law without reference to conflicts of law principles. The assignment in this paragraph shall expire on December 31 of the later of (a) the third year following the execution of this contract, or (b) the year in which this contract expires. Neither Club nor the League is a party to the terms of this paragraph, which is included herein solely for the administrative convenience and benefit of Player and the NFLPA. The terms of this subparagraph apply unless, at the time of execution of this contract, Player indicates by striking out this subparagraph (b) and marking his initials adjacent to the stricken language his intention to not participate in the NFLPA Group Licensing Program. Nothing in this subparagraph shall be construed to supersede or any way broaden, expand, detract from, or otherwise alter in any way whatsoever, the rights of NFL Properties, Inc. as permitted under Article V (Union Security), Section 4 of the 1993 Collective Bargaining Agreement ("CBA").

5. COMPENSATION. For performance of Player's services and all

other promises of Player, Club will pay Player a yearly salary as follows:

\$ _____ for the 20____ season;
\$ _____ for the 20____ season;
\$ _____ for the 20____ season;
\$ _____ for the 20____ season;
\$ _____ for the 20____ season.

In addition, Club will pay Player such earned performance bonuses as may be called for in this contract; Player's necessary traveling expenses from his residence to training camp; Player's reasonable board and lodging expenses during preseason training and in connection with playing preseason, regular season, and postseason football games outside Club's home city; Player's necessary traveling expenses to and from preseason, regular season, and postseason football games outside Club's home city; Player's necessary traveling expenses to his residence if this contract is terminated by Club; and such additional compensation, benefits and reimbursement of expenses as may be called for in any collective bargaining agreement in existence during the term of this contract. (For purposes of this contract, a collective bargaining agreement will be deemed to be "in existence" during its stated term or during any period for which the parties to that agreement agree to extend it.)

6. PAYMENT. Unless this contract or any collective bargaining agreement in existence during the term of this contract specifically provides otherwise, Player will be paid 100% of his yearly salary under this contract in equal weekly or biweekly installments over the course of the applicable regular season period, commencing with the first regular season game played by Club in each season. Unless this contract specifically provides otherwise, if this contract is executed or Player is activated after the beginning of the regular season, the yearly salary payable to Player will be reduced proportionately and Player will be paid the weekly or biweekly portions of his yearly salary becoming due and payable after he is activated. Unless this contract specifically provides otherwise, if this contract is terminated after the beginning of the regular season, the yearly salary payable to Player will be reduced proportionately and Player will be paid the weekly or bi weekly portions of his yearly salary having become due and payable up to the time of termination.

7. DEDUCTIONS. Any advance made to Player will be repaid to Club, and any properly levied Club fine or Commissioner fine against Player will be paid, in cash on demand or by means of deductions from payments coming due to the Player under this contract, the amount of such deductions to be determined by Club unless this contract or any collective bargaining agreement in existence during the term of this contract specifically provides otherwise.

8. PHYSICAL CONDITION. Player represents to Club that he is and will maintain himself in excellent physical condition. Player will undergo a complete physical examination by the Club physician upon Club request, during which physical

examination Player agrees to make full and complete disclosure of any physical or mental condition known to him which might impair his performance under this contract and to respond fully and in good faith when questioned by the Club physician about such condition. If Player fails to establish or maintain his excellent physical condition to the satisfaction of the Club physician, or make the required full and complete disclosure and good faith responses to the Club physician, then Club may terminate this contract.

9. INJURY. Unless this contract specifically provides otherwise, if Player is injured in the performance of his services under this contract and promptly reports such injury to the Club physician or trainer, then Player will receive such medical and hospital care during the term of this contract as the Club physician may deem necessary, and will continue to receive his yearly salary for so long, during the season of injury only and for no subsequent period covered by this contract, as Player is physically unable to perform the services required of him by this contract because of such injury. If Player's injury in the performance of his services under this contract results in his death, the unpaid balance of his yearly salary for the season of injury will be paid to his stated beneficiary, or in the absence of a stated beneficiary, to his estate.

10. WORKERS' COMPENSATION. Any compensation paid to Player under this contract or under any collective bargaining agreement in existence during the term of this contract for a period during which he is entitled to workers' compensation benefits by reason of temporary total, permanent total, temporary partial, or permanent partial disability will be deemed an advance payment of workers' compensation benefits due Player, and Club will be entitled to be reimbursed the amount of such payment out of any award of workers' compensation.

11. SKILL, PERFORMANCE AND CONDUCT. Player understands that he is competing with other players for a position on Club's roster within the applicable player limits. If at any time, in the sole judgment of Club, Player's skill or performance has been unsatisfactory as compared with that of other players competing for positions on Club's roster, or if Player has engaged in personal conduct reasonably judged by Club to adversely affect or reflect on Club, then Club may terminate this contract. In addition, during the period any salary cap is legally in effect, this contract may be terminated if, in Club's opinion, Player is anticipated to make less of a contribution to Club's ability to compete on the playing field than another player or players whom Club intends to sign or attempts to sign, or another player or players who is or are already on Club's roster, and for whom Club needs room.

12. TERMINATION. The rights of termination set forth in this contract will be in addition to any other rights of termination allowed either party by law. Termination will be effective upon the giving of written notice, except that Player's death, other than as a result of injury incurred in the performance of his services under this contract, will automatically terminate this contract. If this contract is terminated by Club and either Player or Club so requests, Player will promptly undergo a complete physical examination by the Club physician.

13. **INJURY GRIEVANCE.** Unless a collective bargaining agreement in existence at the time of termination of this contract by Club provides otherwise, the following injury grievance procedure will apply: If Player believes that at the time of termination of this contract by Club he was physically unable to perform the services required of him by this contract because of an injury incurred in the performance of his services under this contract, Player may, within 60 days after examination by the Club physician, submit at his own expense to examination by a physician of his choice. If the opinion of Player's physician with respect to his physical ability to perform the services required of him by this contract is contrary to that of the Club's physician, the dispute will be submitted within a reasonable time to final and binding arbitration by an arbitrator selected by Club and Player or, if they are unable to agree, one selected in accordance with the procedures of the American Arbitration Association on application by either party.

14. **RULES.** Player will comply with and be bound by all reasonable Club rules and regulations in effect during the term of this contract which are not inconsistent with the provisions of this contract or of any collective bargaining agreement in existence during the term of this contract. Player's attention is also called to the fact that the League functions with certain rules and procedures expressive of its operation as a joint venture among its member clubs and that these rules and practices may affect Player's relationship to the League and its member clubs independently of the provisions of this contract.

15. **INTEGRITY OF GAME.** Player recognizes the detriment to the League and professional football that would result from impairment of public confidence in the honest and orderly conduct of NFL games or the integrity and good character of NFL players. Player therefore acknowledges his awareness that if he accepts a bribe or agrees to throw or fix an NFL game; fails to promptly report a bribe offer or an attempt to throw or fix an NFL game; bets on an NFL game; knowingly associates with gamblers or gambling activity; uses or provides other players with stimulants or other drugs for the purpose of attempting to enhance on-field performance; or is guilty of any other form of conduct reasonably judged by the League Commissioner to be detrimental to the League or professional football, the Commissioner will have the right, but only after giving Player the opportunity for a hearing at which he may be represented by counsel of his choice, to fine Player in a reasonable amount; to suspend Player for a period certain or indefinitely; and/or to terminate this contract.

16. **EXTENSION.** Unless this contract specifically provides otherwise, if Player becomes a member of the Armed Forces of the United States or any other country, or retires from professional football as an active player, or otherwise fails or refuses to perform his services under this contract, then this contract will be tolled between the date of Player's induction into the Armed Forces, or his retirement, or his failure or refusal to perform, and the later date of his return to professional football. During the period this contract is tolled, Player will not be entitled to any compensation or benefits. On Player's

return to professional football, the term of this contract will be extended for a period of time equal to the number of seasons (to the nearest multiple of one) remaining at the time the contract was tolled. The right of renewal, if any, contained in this contract will remain in effect until the end of any such extended term.

17. **ASSIGNMENT.** Unless this contract specifically provides otherwise, Club may assign this contract and Player's services under this contract to any successor to Club's franchise or to any other Club in the League. Player will report to the assignee Club promptly upon being informed of the assignment of his contract and will faithfully perform his services under this contract. The assignee club will pay Player's necessary traveling expenses in reporting to it and will faithfully perform this contract with Player.

18. **FILING.** This contract will be valid and binding upon Player and Club immediately upon execution. A copy of this contract, including any attachment to it, will be filed by Club with the League Commissioner within 10 days after execution. The Commissioner will have the right to disapprove this contract on reasonable grounds, including but not limited to an attempt by the parties to abridge or impair the rights of any other club, uncertainty or incompleteness in expression of the parties' respective rights and obligations, or conflict between the terms of this contract and any collective bargaining agreement then in existence. Approval will be automatic unless, within 10 days after receipt of this contract in his office, the Commissioner notifies the parties either of disapproval or of extension of this 10-day period for purposes of investigation or clarification pending his decision. On the receipt of notice of disapproval and termination, both parties will be relieved of their respective rights and obligations under this contract.

19. **DISPUTES.** During the term of any collective bargaining agreement, any dispute between Player and Club involving the interpretation or application of any provision of this contract will be submitted to final and binding arbitration in accordance with the procedure called for in any collective bargaining agreement in existence at the time the event giving rise to any such dispute occurs.

20. **NOTICE.** Any notice, request, approval or consent under this contract will be sufficiently given if in writing and delivered in person or mailed (certified or first class) by one party to the other at the address set forth in this contract or to such other address as the recipient may subsequently have furnished in writing to the sender.

21. **OTHER AGREEMENTS.** This contract, including any attachment to it, sets forth the entire agreement between Player and Club and cannot be modified or supplemented orally. Player and Club represent that no other agreement, oral or written, except as attached to or specifically incorporated in this contract, exists between them. The provisions of this contract will govern the relationship between Player and Club unless there are conflicting provisions in any collective bargaining agreement in existence during the term of this contract, in which case the provisions of the collective bargaining agreement will take precedence over conflicting provisions of this contract relating to the rights or obligations of either party.

22. LAW. This contract is made under and shall be governed by the laws of the State of _____.

23. WAIVER AND RELEASE. Player waives and releases any claims that he may have arising out of, related to, or asserted in the lawsuit entitled White v. National Football League, including, but not limited to, any such claim regarding past NFL Rules, the College Draft, Plan B, the first refusal/compensation system, the NFL Player Contract, preseason compensation, or any other term or condition of employment, except any claims asserted in Brown v. Pro Football, Inc. This waiver and release also extends to any conduct engaged in pursuant to the Stipulation and Settlement Agreement in White ("Settlement Agreement") during the express term of that Settlement Agreement or any portion thereof. This waiver and release shall not limit any rights Player may have to performance by the Club under this Contract or Player's rights as a member of the White class to object to the Settlement Agreement during its review by the court in Minnesota. This waiver and release is subject to Article XIV (NFL Player Contract), Section 3(c) of the CBA.

24. OTHER PROVISIONS. (a) Each of the undersigned hereby confirms that (i) this contract, renegotiation, extension or amendment sets forth all components of the player's remuneration for playing professional football (whether such compensation is being furnished directly by the Club or by a related or affiliated entity); and (ii) there are not undisclosed agreements of any kind, whether express or implied, oral or written, and there are no promises, undertakings, representations, commitments, inducements, assurances of intent, or understandings of any kind that have not been disclosed to the NFL involving consideration of any kind to be paid, furnished or made available to Player or any entity or person owned or controlled by, affiliated with, or related to Player, either during the term of this contract or thereafter.

(b) Each of the undersigned further confirms that, except insofar as any of the undersigned may describe in an addendum to this contract, to the best of their knowledge, no conduct in violation of the Anti-Collusion rules of the Settlement Agreement took place with respect to this contract. Each of the undersigned further confirms that nothing in this contract is designed or intended to defeat or circumvent any provisions of the Settlement Agreement, including but not limited to the Rookie Pool and Salary Cap provisions; however, any conduct permitted by the CBA and/or the Settlement Agreement shall not be considered a violation of this confirmation.

(c) The Club further confirms that any information regarding the negotiation of this contract that it provided to the Neutral Verifier was, at the time the information was provided, true and correct in all material respects.

25. SPECIAL PROVISIONS.

THIS CONTRACT is executed in six (6) copies. Player acknowledges that before signing this contract he was given the opportunity to seek advice from or be represented by persons of his own selection.

_____ PLAYER	_____ CLUB
_____ Home Address	_____ By
_____ Telephone Number	_____ Club Address
_____ Date	_____ Date

PLAYER'S CERTIFIED AGENT

Address

Telephone Number

Date

Copy Distribution: White-League Office Yellow-Player
 Green-Member Club Blue-Management Council
 Gold-NFLPA Pink-Player Agent

**APPENDIX M
EXTENSION CHART**

Salary Cap as Percentage of TR

	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>
(1)	57	57	57.5	57.5	58	58	U	D
(2)	57	57	57.5	57.5	U	D	U	D
	57	57	57.5	57.5	58	U	D	

U = Uncapped
D = College Draft

- (1) If either party terminates final two Capped Years (2010 and 2011) by 11/8/08.
- (2) If either party terminates final Capped Year (2011) by 11/8/09.

**APPENDIX N
PSL EXAMPLES**

Without limitation on any other example, the following are examples of the operation of the rules in Article X (Guaranteed League-wide Salary, Salary Cap & Minimum Team Salary), Section 1(a), concerning Personal Seat Licenses (PSLs), based on the assumption that Class Counsel has approved the PSL deduction:

1. Subsection (x)(1) — Maximum Annual Allocation Amount

Year 1 (2006) PSL revenues received = \$ 45 million
Remaining life of PSL = 16 years
WSJ Treasury Note rate at 2/1/06 - 8%
Factor-Future Value of 8% annuity 15 years (maximum)
= 27.152 (annual compounding)
Future Value of \$3 million/year for 15 years
= \$3 million x 27.152 = \$81.456 million
Interest Amount = \$81.456 million - \$45 million
= \$36.456 million

Year 1 Annual Interest Allocation
= \$36.456 million/15 years = \$2.43 million/year

Year 1 PSL Allocation Amount
= PSL Amount = \$45 million/15 years = \$3.00 million
+ Allocated Interest = \$2.43 million
Total Year 1 Allocation = \$5.43 million

2006 PSL Maximum Annual Allocation Amount = \$5.43 million

Year 2 (2007) PSL revenues received = \$ 30 million
 Remaining life of PSL = 15 years
 WSJ Treasury Note rate at 2/1/07 7%
 Factor-Future Value of 7% annuity 15 years = 25.129
 (annual compounding)
 Future Value of \$2 million/year for 15 years
 = \$2m x 25.129 = \$50.258 million
 Interest Amount = \$50.258 million \$30 million
 = \$20.258 million

Year 2 Annual Interest Allocation
 = \$20.258 million/15 years = \$1.35 million/year

Year 2 PSL Allocation Amount
 = PSL Amount = \$30 million/15 years = \$2.00 million
 + Allocation Interest = \$1.35 million
 Total Year 2 Allocation = \$3.35 million

PSL Maximum Annual Allocation Amount
 Year 1 PSL Allocation Amount = \$5.43 million
 Year 2 PSL Allocation Amount = \$3.35 million
 2007 PSL Maximum Annual Allocation Amount = \$8.78 million

Year 3 (2008) PSL revenues received = \$ 7 million
 Remaining life of PSL = 14 years
 WSJ Treasury Note rate at 2/1/08 7.5%
 Factor-Future Value of 7.5% annuity 14 years = 23.366
 Future Value of \$.5 million/year for 14 years
 = \$.5m x 23.366 = \$11.683 million
 Interest Amount = \$11.683 million \$7 million
 = \$ 4.683 million

Year 3 Annual Interest Allocation
 = \$4.683 million/14 years = \$.335 million/year

Year 3 PSL Allocation Amount
 = PSL Amount = \$7 million/14 years = \$.500 million
 + Allocated Interest = \$.335 million
 Total Year 3 Allocation = \$.835 million

PSL Maximum Annual Allocation Amount
 Year 1 PSL Allocation Amount = \$5.430 million
 Year 2 PSL Allocation Amount = \$3.350 million
 Year 3 PSL Allocation Amount = \$.835 million
 2008 PSL Maximum Annual Allocation Amount = \$9.615 million

2. Subsection (x)(2) — PSL Revenues Used For Stadium Construction Or Renovation

Assume the Team sells PSLs on the following terms:

- Gross PSL revenues received in 2006 = \$45 million
- Income taxes paid on PSL revenues in 2006 = \$12 million
- Legal and marketing costs incurred relating to PSL revenues=\$6 million
- Stadium renovation costs = \$56 million

The PSL revenues included in TR, subject to the rules in Subsections (x)(3) through (x)(7), would be \$45 million.

Assume that only the net PSL revenues of \$27 million were used in the renovation project (\$45m (\$12m + 6m)) and the total stadium renovation costs were \$30 million.

The PSL revenues excluded from TR in this example would be limited to \$27 million, subject to the rules in Subsections (x)(3) through (x)(7). The PSL Maximum Annual Allocation Amount, however, would be calculated based upon the gross revenues of \$45 million.

3. [Omitted]

4. Subsection (x)(3) — PSL Difference Credited To TR

a. Assume that the new stadium is placed in service in June 2008.

2008 increase in TR directly related to new stadium:

Increase in gate receipts	\$6 million
Increase in Other TR	<u>\$2 million</u>
Total TR increase	\$8 million

Cumulative PSL Difference:

	PSL Maximum Annual	First Year	
<u>Year</u>	<u>Allocation Amount</u>	<u>TR Increase</u>	<u>PSL Difference</u>
2006	\$5.430 million	\$8 million (assumed)	\$ 0
2007	\$8.780 million	\$8 million (assumed)	\$.780 million
2008	\$9.615 million	\$8 million	<u>\$1.615 million</u>
Cumulative PSL Difference			\$2.395 million

For purposes of computing the PSL Difference, we assume that the increase in TR was the same for 2006 and 2007 (years prior to the first full year the new stadium was placed into service) as it is in the first full year in the new stadium was placed into service (\$8 million).

\$2.395 million would be credited into TR in the 2009 League Year.

b. Assume that the new stadium is placed in service in June 2008.

2008 increase in TR directly related to new stadium:

Increase in gate receipts	\$ 9 million
Increase in other TR	<u>\$16 million</u>
Total TR increase	\$25 million

Cumulative PSL Difference:

PSL		First Year	
Year	Maximum Annual Allocation Amount	TR Increase	PSL Difference
2006	\$5.430 million	\$25 million (assumed)	0
2007	\$8.780 million	\$25 million (assumed)	0
2008	\$9.615 million	\$25 million	<u>0</u>
Cumulative PSL Difference			0

Since the increase in TR in the first full year is greater than the PSL Maximum Annual Allocation Amount for each prior year in which such Allocation Amount was used, then there is no PSL Difference in any prior year. No amount would be credited into TR in the 2009 League Year.

5. Subsection (x)(5) Carryover PSL Credit

Assume the following:

New Stadium is placed in service in June 2008.

2009 2002 Maximum Annual Allocation Amount is \$9.615 million.

Increases in TR directly related to New Stadium are as follows:

2009	\$ 8 million
2010	\$ 9 million
2011	\$14 million

The Carryover PSL credits are calculated as follows:

2009	\$9.615m \$8m = \$1.615m
2010	\$9.615m \$9m = \$.615m
2011	(No carryover PSL credits)

Under this scenario, year 2011 has a PSL Excess of \$4.385 million (\$14m-\$9.615m). The Carryover PSL credits of \$2.230 million from 2009 and 2010 (\$1.615m + \$.615m) can be deducted in full from TR in League Year 2011. There would be no remaining Carryover PSL credits to deduct from TR in future League years.

6. Subsection (x)(6) Reduction In Premium Seat And Luxury Box Expenses

Assume that \$80 million in PSL revenues are used to fund the New Stadium which has a total construction cost of \$200 million. If the annual expenses relating to luxury boxes and premium seats are \$5 million, the reduction in such expenses would be \$2 million, computed as follows: \$5 million x (\$80 million/\$200 million) = \$2 million.

7. PSL Revenues Not Benefiting The Team Or Any Team Affiliate Except Through A New Or Improved Stadium

In any case where:

(i) PSLs are sold by a Team or by a third party (such as a stadium corporation, a nonprofit private sector entity, or a governmental entity) pursuant to Team authorization; and

(ii) all net proceeds of such PSL sale are used to build a new stadium or construct improvements to an existing stadium in which the Team will play upon completion, or is then playing and will continue to play (net proceeds are all gross proceeds net of (a) taxes and (b) expenses (e.g., legal costs, marketing expenses, or securities registration fees) if such taxes and expenses are directly incurred as the result of the PSL sale, and do not benefit the Team or any of its affiliates, either directly or indirectly, other than through the stadium construction or improvements paid by the PSL revenues); and

(iii) such new or improved stadium is owned by a party not affiliated with the Team, such as a governmental entity or a private sector for-profit or nonprofit entity; and

(iv) the Team (and all Team affiliates) have only a leasehold interest, and no reversionary interest in the stadium (that is, if the Team or any Team affiliate wishes to acquire any title to the stadium, it must do so in a separately negotiated arms'-length transaction); and

(v) neither the Team nor any of its affiliates receives any payments, long-term loans, forgiveness of indebtedness, or other consideration from the Stadium landlord or any of its affiliates, other than payments that are due to the Team pursuant to its lease as consideration for its performance of its obligations under the lease, or are reimbursements for expenses incurred by the Team solely in performing its obligations under the lease;

then, because the Team and its affiliates do not receive any net benefit arising out of the sale of PSLs other than through the stadium construction or improvements paid by the PSL revenues (all PSL revenues being spent on third-party costs and charges directly incurred as a result of the PSL sale, or on stadium construction or improvements), none of the proceeds received from the sale of the PSLs would be included in TR. Each of Example Nos. 1 through 6 above assumes that, for one or more reasons, the example does not qualify for the foregoing treatment.

Nothing in the foregoing shall provide any basis to argue that any amounts other than the PSL proceeds, including but not limited to any expense payments, may be treated as TR or non-TR under this Agreement. Moreover, the Special Master or the Court would have the authority to examine any transaction involving the Club or any of its affiliates and the Stadium landlord or any of its affiliates, to determine if such transaction transfers, in whole or in part, some or all of the economic benefit of any PSL revenues to the Club or any of its affiliates, and any such transferred economic benefits shall be treated as TR.

NOTE: Premium seat revenues (non-shared amounts) discussed in Subsections (xi)(1) through (xi)(6) call for calculations quite similar to those discussed in Example Nos. 1 through 6 above in calculating "Premium Seat Differences," "Carryover Premium Seat Credits," "Premium Seat Excesses," and "Reductions in Expenses Related to Premium Seats and Luxury Boxes."

APPENDIX O
SALARY CAP CALCULATION EXAMPLE

If 2007 Salary Cap: \$109 million

If 2008 Projected TR equals \$205 million per Club:

57.5% = \$117.875 million

61.68% = \$126.44 million

less assumed Projected Benefits/salary cap deductions of \$20 million per Club:

57.5% cap = \$97.875 million

61.68% max = \$106.44 million

then, pursuant to Article X, Section 4(c), the Salary Cap for 2008 is \$106.44 million

**APPENDIX P
ADJUSTMENT MECHANISM EXAMPLES**

Example #1: League Excess at the end of Year 1

Assumptions:

5-Team League

At Year End League-wide Cash Player Costs exceed Trigger by \$5M

Dollar amounts in millions

Club	'06 Trigger	'06 Cash PC	Pro rata Share	Adjustment to Team Salary Over Remaining Capped Years				
				'07	'08	'09	'10	'11
A	102.0	101.5						
B	102.0	99.0						
C	102.0	100.5						
D	102.0	109.5	75%	0.75	0.75	0.75	0.75	0.75
E	102.0	104.5	25%	0.25	0.25	0.25	0.25	0.25
League-wide	510.0	515.0	100%	1.0	1.0	1.0	1.0	1.0
Excess/(Shortfall)		5.0						

Example #2: League Shortfall at the end of Year 1

Assumptions:

5-Team League

At Year End League-wide Cash Player Costs fall below Trigger by \$9M

Dollar amounts in millions

Club	'06 Trigger	'06 Cash PC	Pro rata Share	Adjustment to Team Salary Over Remaining Capped Years				
				'07	'08	'09	'10	'11
A	102.0	100.0	20%	(.36)	(.36)	(.36)	(.36)	(.36)
B	102.0	102.0	20%	(.36)	(.36)	(.36)	(.36)	(.36)
C	102.0	99.0	20%	(.36)	(.36)	(.36)	(.36)	(.36)
D	102.0	106.0	20%	(.36)	(.36)	(.36)	(.36)	(.36)
E	<u>102.0</u>	<u>94.0</u>	<u>20%</u>	<u>(.36)</u>	<u>(.36)</u>	<u>(.36)</u>	<u>(.36)</u>	<u>(.36)</u>
League-wide	510.0	501.0	100%	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Excess/(Shortfall)		(9.0)						

Example #3: League Excess in Year 1 and League Shortfall in Year 2

Assumptions:

5-Team League

League Excess of \$5M at the end of Year 1 (Clubs D & E exceeded Trigger)

League Shortfall of \$9M at the end of Year 2

Dollar amounts in millions

Club		'06 Excess	'07 Shortfall	Adjustment to Team Salary Over Remaining Capped Years				
				'07	'08	'09	'10	'11
League-wide		5.0	(9.0)					
A	Year 1							
	Year 2				(0.2)	(0.2)	(0.2)	(0.2)
B	Year 1							
	Year 2				(0.2)	(0.2)	(0.2)	(0.2)
C	Year 1							
	Year 2				(0.2)	(0.2)	(0.2)	(0.2)
D	Year 1			0.75	0.75	0.75	0.75	0.75
	Year 2				(0.2)	(0.2)	(0.2)	(0.2)
E	Year 1			0.25	0.25	0.25	0.25	0.25
	Year 2				(0.2)	(0.2)	(0.2)	(0.2)
League-wide				1.0	0.0	0.0	0.0	0.0

<u>League</u>	<u>Excess/</u>	
<u>Year</u>	<u>(Shortfall)</u>	
2006	5.0	Allocate charge proportionately among Clubs that exceeded Trigger (D&E)
2007	(9.0)	Shortfall (to be offset by Prior Years' League Excess, then allocated equally among all Clubs)
	(4.0)	Prorata deduction to be allocated to each Club's Team Salary

Example #4: League Excess in Year 1, League Shortfall in Year 2 and League Excess in Year 3

Assumptions:

5-Team League

League Excess of \$5M at the end of Year 1 (Clubs D & E exceeded Trigger)

League Shortfall of \$9M at the end of Year 2

League Excess of \$6M at the end of Year 3 (Clubs A & E exceeded Trigger equally)

Dollar amounts in millions

Club		'06 Excess	'07 Shortfall	'08 Excess	Adjustment to Team Salary Over Remaining Capped Years				
					'07	'08	'09	'10	'11
League-wide		5.0	(9.0)	6.0					
A	Year 1								
	Year 2				(0.2)	(0.2)	(0.2)	(0.2)	
	Year 3						1.0	1.0	1.0
B	Year 1								
	Year 2				(0.2)	(0.2)	(0.2)	(0.2)	
	Year 3								
C	Year 1								
	Year 2				(0.2)	(0.2)	(0.2)	(0.2)	
	Year 3								
D	Year 1				0.75	0.75	0.75	0.75	0.75
	Year 2				(0.2)	(0.2)	(0.2)	(0.2)	
	Year 3								
E	Year 1				0.25	0.25	0.25	0.25	0.25
	Year 2				(0.2)	(0.2)	(0.2)	(0.2)	
	Year 3						1.0	1.0	1.0
League-wide					1.0	0.0	3.0	3.0	3.0

League Year	Excess/ (Shortfall)	
2006	5.0	Allocate charge proportionately among Clubs that exceeded Trigger (D&E)
2007	(9.0)	Shortfall (to be offset by Prior Years' League Excess, then allocated equally among all Clubs)
	(4.0)	Prorata deduction to be allocated to each Club's Team Salary

2008

6.0 Excess will offset "deductions" from any remaining League Shortfall in Prior Years (\$6M-\$3M), then allocate total League Excess charge (\$6M) proportionately among Clubs that exceeded Trigger (A&E)