

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**

Points scored by offense

Touchdowns scored by offense

Total offense (net yards)

Average net yards gained per rushing play

Average net yards gained per passing play

Sacks allowed

Passing % completed

**ALL**

Wins

Playoffs

Conference Championship

Super Bowl

Touchdowns on returns and recoveries

Net difference takeaways/giveaways

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**DEFENSE**

Points allowed by defense

Touchdowns allowed by defense

Total defense (net yards)

Average net yards given up per rushing play

Average net yards given up per passing play

Sacks

Interceptions

**SPECIAL TEAMS**

Own punt return average

Own kickoff return average

Opposition punt return average

Opposition kickoff return average

(EXHIBIT B)

**INDIVIDUAL INCENTIVES**

**RUSHING**

Total yards

Average yards  
(100 attempts)

Touchdowns

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**PASSING**

Passer rating  
(224 attempts)

Completion percentage  
(224 attempts)

Interception percent  
(224 attempts)

Total yards

Yards per pass  
(224 attempts)

Touchdown passes

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**RECEIVING**

Total receptions

Total yards

Average yards  
(32 receptions)

Touchdowns

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**DEFENSE**

Interceptions

Interception return yards

Touchdowns on interception returns

Opponent fumble recoveries

Opponent fumble return yards

Touchdowns on opponent fumble returns

Sacks

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**PUNT RETURNS**

Total yards

Average (20 returns)

Touchdowns

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**(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

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(EXHIBIT C)

**ROOKIE "LIKELY TO BE EARNED" INCENTIVES**

<b>CATEGORY</b>		<b>PERCENT COUNTED</b>
<hr/>		
ROSTER BONUSES (regular season)		
All Drafted		100%
Undrafted		30%
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ROSTER BONUSES (preseason)		
All Players		100%
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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>		
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SPECIAL TEAMS PARTICIPATION	ROUNDS 1 - 3	100%
	ROUNDS 4 - 8	66%

	UNDRAFTED	50%
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HONORS	ROUNDS 1 - 2	
(First or Second Team)	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**

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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%

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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%

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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%

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(EXHIBIT C)

**ROOKIE "LIKELY TO BE EARNED" INCENTIVES**

**PASSING**

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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%	

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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%

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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%

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(EXHIBIT C)

**ROOKIE "LIKELY TO BE EARNED" INCENTIVES**

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Total Yards	ROUNDS 1 - 3	
Passing	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%

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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%

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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%

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(EXHIBIT C)

**ROOKIE "LIKELY TO BE EARNED" INCENTIVES**

**RECEIVING**

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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%

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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%

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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%

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(EXHIBIT C)

**ROOKIE "LIKELY TO BE EARNED" INCENTIVES**

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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%

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**TOTAL OFFENSE**

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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%

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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%

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(EXHIBIT C)

**ROOKIE "LIKELY TO BE EARNED" INCENTIVES**

**DEFENSE**

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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%	

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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%	

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

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

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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%

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(EXHIBIT C)

**ROOKIE "LIKELY TO BE EARNED" INCENTIVES**

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Touchdowns On	ALL	
Opponent Fumble	1	100%
Returns	2	50%
	3 or more	0%

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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**

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Total Yards	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 224	100%
	225 - 349	33%
	350 or more	0%

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Average (20 returns)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 7.9	100%
	8.0 - 10.9	33%
	11.0 or more	0%

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

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(EXHIBIT C)

**ROOKIE "LIKELY TO BE EARNED" INCENTIVES**

**KICKOFF RETURNS**

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

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

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

**PUNTING**

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

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

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Inside 20-yard line	ROUNDS 1 - 3	100%
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ALL OTHERS	
0 - 19	100%
20 - 23	33%
24 or more	0%

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(EXHIBIT C)

ROOKIE "LIKELY TO BE EARNED" INCENTIVES

PLACE KICKING

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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%	

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Field Goals	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 19	100%
	20 - 26	33%
27 or more	0%	

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Field Goal Percentage (16 attempts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 75%	100%
	75.1 - 80%	33%
80.1 - 100%	0%	

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Field Goal Percentage 0-19 yards (4 attempts)	ALL	100%
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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%	

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Field Goal Percentage	ROUNDS 1 - 3	100%
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30 - 39 yards  
(4 attempts)

ALL OTHERS

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

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(EXHIBIT C)

**ROOKIE "LIKELY TO BE EARNED" INCENTIVES**

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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%

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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%

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**(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