

ARTICLE XXIII

EXPANSION/RELOCATION

Section 1. Expansion: At any time during the term of this Agreement, the AFL may determine to add one or more Teams to the AFL.

Section 2. Relocation: At any time during the term of this Agreement, the AFL may allow a Team to relocate to another metropolitan area. Such relocation shall not affect the terms of any AFL Player Contract.

Section 3. Player Allocation:

(a) In the event the AFL adds one or more Teams, the AFL may conduct an expansion draft to assign Player Contracts from existing Teams to the Expansion Team(s), so long as such expansion draft is substantially similar to the expansion draft conducted in League Year 2003. In addition, if one or more Teams cease to operate, the AFL may conduct a dispersal draft to assign the Player Contracts of such Team(s), on terms to be reasonably agreed upon by the AFL and AFLPA.

(b) Notwithstanding anything else in this Agreement, an expansion or dispersal draft may apply only to players who are under contract to a Team as of the time of the draft.

(c) In the event a Player Contract is assigned to a Team pursuant to any expansion or dispersal draft, the player's contract shall remain in full force and effect, with all obligations thereunder assumed by the Team selecting such player in such draft, whether or not such obligations were or are to be due before or after the contract was assigned.

(d) If a player on a Team that ceases operations is not selected in a dispersal draft, the player shall immediately become a Free Agent and shall be free to sign a player Contract with any Team, without prejudice to any rights that the player may have against the Team that ceased operations under applicable law. If by the first day of the signing period set forth in Article XVI, Section 2, a dispersal draft has not been held for a Team that has ceased operations, each player on that Team shall immediately become a Free Agent and shall be free to sign a Player Contract with any Team, without prejudice to any rights that the player may have against the Team under applicable law.

Section 4. Teams Ceasing Operations: If a Team ceases to operate after December 15 in a League Year, the AFL and its Teams will be responsible for all unpaid Player Salaries of such Team for that League Year pursuant to a league-wide credit facility sufficient to cover such obligations (or, if such facility is not obtained, through joint and several liability), and the players on any such Team that ceases operations shall continue to receive such Player Salaries for that League Year on the same schedule as otherwise provided in their Player Contracts and this Agreement; provided, however, that (i) the responsibility for such Salaries shall be offset to the extent that the contracts of players subject to this subsection are assumed by, or such players sign with, other Teams

for that Season; and (ii) any player subject to this subsection who is not selected in a dispersal draft shall make good faith efforts to sign with another Team. If the Team ceases operations before the beginning of the regular season, the AFL and Team responsibility shall be limited to the contracts with the twenty-four (24) highest base salaries. For League Years after the League Year in which the Team ceased operations, players shall be paid pursuant to their AFL Player Contracts only if such contracts are assumed by another Team as part of a dispersal draft as provided in Section 3 above, or pursuant to any applicable law. In addition, if a Team that ceases to operate after the signing period set forth in Article XVI, Section 2 has commenced has not fulfilled all of its Minimum Team Salary obligations under Article XIX, Section 4, the AFL will be responsible for all such obligations, through the league-wide credit facility referenced above or, if such facility is not obtained, through joint and several liability; provided, however, that the responsibility for such obligations shall be offset to the extent that the contracts of players subject to this subsection are assumed by, or such players sign with, other Teams for that Season.