

ARTICLE XXIV

EQUITY PARTICIPATION

Section 1. Transfer Fee: The AFLPA will be entitled to share, on behalf of the players, in proceeds from the sale or transfer of Teams by receiving a transfer fee (“Transfer Fee”) on the terms that follow. Such monies will be paid to the AFLPA for the benefit of players as determined by the AFLPA (i.e., either a direct distribution by the AFLPA to players, or for funding of additional player benefits as specified by the AFLPA and agreed to by the AFL, such agreement not to be unreasonably withheld).

(a) Expansion Teams: Subject to subsection (d) below, with respect to expansion teams sold by the AFL after October 14, 2002 and prior to expiration or termination of this Agreement, the AFL will pay or cause to be paid to the AFLPA three-and-one-half percent (3.5%) of the difference between the purchase price of such expansion team and a (lesser) base value of \$12 million. For example, if an expansion team, Team X, is sold by the AFL after October 14, 2002 for \$15 million, the AFL will pay to the AFLPA \$105,000 [$(\$15,000,000 - \$12,000,000) \times .035 = \$105,000$].

(b) Sale of Member Teams: Subject to subsection (d) below, with respect to any Team sold by its owner(s) after October 14, 2002 and prior to expiration or termination of this Agreement (except with regard to (i) transfers between immediate family members which do not reflect any change in control of the Team, (ii) transfers between immediate family members which do reflect a change in control of the Team but which change of control was done to permit the purchase of another Team by the transferor family member, (iii) transfers within a family from a parent to a son or daughter, and (iv) any technical transfers between entities under common control which do not reflect any change in control of the Team), the AFL will pay or cause to be paid to the AFLPA two-and-one-half percent (2.5%) of the difference between the purchase price of such team and a (lesser) base value of \$12 million. For example, if Team A is sold after October 14, 2002 for \$20,000,000, the AFL will pay, or cause to be paid, to the AFLPA an amount equal to \$200,000 [$(\$20,000,000 - \$12,000,000) \times .025 = \$200,000$].

(c) Other Monetization of Increased Team Valuations: The AFL agrees that certain transactions in which a Team owner is able to monetize the value of a Team (i.e., receive cash based on the value of such Team) without an outright sale of the Team may be treated as a sale for purposes of this Agreement and, provided the AFL is able to successfully implement and enforce rules and procedures designed to prevent owners of Teams from “structuring around” the Transfer Fee, the AFLPA will be entitled to receive a Transfer Fee with respect to such monetization transactions of two-and-one-half percent (2.5%) of any difference between the cash received through such monetization and the (lesser) base value of \$12 million. The AFL will use reasonable efforts to implement the relevant rules and regulations and will take reasonable steps (including withholding the AFL’s consent to or approval of transactions where applicable) to enforce such rules and procedures.

(d) **Multiple Transactions:** If any Team is the subject of multiple transactions, then after the first transaction with respect to which the AFLPA has received a share, the base value for purposes of determining the AFLPA's share of future sale proceeds will be the most recent prior sale price of said Team. For example, if an expansion team that had, in one prior sale, been sold for \$15,000,000, is subsequently resold for \$20,000,000, the AFLPA will be entitled to receive \$125,000 [$(\$20,000,000 - \$15,000,000) \times .025 = \$125,000$].

(e) **Payment:** In each transaction covered by subsections (a) through (d) above, the payment to the AFLPA shall be made on a pro rata basis (*i.e.*, the applicable percentage of all amounts received) at the time any payments are received by or on behalf of the AFL, the Team, or any applicable affiliated entity. Such pro rata payments shall be made to the AFLPA on such receipts until the payment obligation to the AFLPA is satisfied in full.

Section 2. Records: The AFL agrees to keep, and to cause each Team and its owners to keep, accurate books, accounts and records covering all transactions relevant to this Article XXIV. The AFL will promptly notify the AFLPA of each applicable transaction and provide all material details. Any amounts due to the AFLPA pursuant to this Article XXIV shall be paid concurrently with the closing of the applicable transaction, provided that payment of any Transfer Fees due from the AFL shall be subject to receipt by the AFL of the applicable monies.