

ARTICLE XXVI

PRACTICE SQUADS

Section 1. Practice Squads: Each Team may have up to four (4) Practice Squad Players signed to an AFL Practice Squad Contract, annexed hereto as Exhibit B.

Section 2. Signing with Other Teams:

(a) Except as set forth in Section 7 below, any player under contract with a Team as a Practice Squad Player shall be completely free to negotiate and sign an AFL Player Contract with any Team at any time and to serve as a player on any Team's 24-Man Roster, and any Team is completely free to negotiate and sign such a Practice Squad Player to an AFL Player Contract. If a Practice Squad Player signs an AFL Player Contract that would place the Practice Squad Player on a 24-Man Roster then, subject to the terms of Article XVIII, Section 1(a), that Team may not place the player back on its Practice Squad unless the player clears waivers.

(b) If a Practice Squad Player signs an AFL Player Contract with a Team other than his current Team, the effectiveness of such contract shall be contingent upon the player not signing an AFL Player Contract with his current Team within twenty-four (24) hours of the time of the execution of the contingent contract with the other Team, which time shall be noted on a cover sheet on such contract, the form of which shall be agreed upon by the AFL and the AFLPA.

Section 3. Notice: Before a Team can contact a Practice Squad Player from another Team, written notice must be given to the Team holding the player's AFL Practice Squad Contract. The Team holding the player's AFL Practice Squad Contract cannot deny access to the Team seeking to contact the Practice Squad Player.

Section 4. Practice Squad Salary: Practice Squad Salary in the regular season and the post-season (if a Team plays in the post-season) shall be the following: \$400 per week in League Year 2003, \$400 per week in League Year 2004, \$414 per week in League Year 2005, \$433 per week in League Year 2006, \$457 per week in League Year 2007, \$484 per week in League Year 2008, \$518 per week in League Year 2009, and \$554 per week in League Year 2010. For any week in which a player is signed to an AFL Player Contract, the player shall be paid pursuant to that contract and shall not be entitled to Practice Squad Salary.

Section 5. Practice Squad Salary – Bye Week:

(a) If a Team has a Bye Week during the regular season, Practice Squad Players must be paid either seventy-five percent (75%) of their weekly Practice Squad Salaries or allowed a one (1) week unpaid vacation.

(b) If a Team participates in a Bye Week during the post-season, Practice Squad Players must be paid either seventy-five percent (75%) of their Practice Squad Salaries if they practice or fifty percent (50%) of their Practice Squad Salaries if they do

not practice. During any week off prior to the Arena Bowl, Practice Squad Players must be paid 50% of their Practice Squad salaries if they practice.

(c) During any season in which three or fewer rounds of the playoffs (including the Arena Bowl) are scheduled, Practice Squad Players shall receive a mandatory one-week unpaid vacation during any regular season Bye Week.

Section 6. Practice Squad Player - Effect on the Salary Cap:

(a) Practice Squad Salary paid during the regular season will count as Player Salaries for Salary Cap purposes.

(b) If a Team provides housing benefits to a Practice Squad Player during the regular season, those benefits will count as Projected Housing Benefits for Salary Cap purposes.

(c) If a Team provides meal benefits to Practice Squad Players during the regular season, those benefits will count as Projected Benefits for Salary Cap purposes.

Section 7. Signing With Other Teams After Week Twelve (12): After the twelfth week of the regular season, any Team still in AFL playoff contention (i.e., not mathematically eliminated from the post-season) has a right of first refusal to sign its own Practice Squad Player if another Team in AFL playoff contention signs the Practice Squad Player to its 24-Man Roster. The right of first refusal must be exercised, in a form agreed upon by the AFL and the AFLPA, within twenty-four (24) hours after the time the AFL contacts the Team and informs it that the Practice Squad Player has signed an AFL Player Contract with another Team.

Section 8. International Practice Squad Players:

(a) Each Team may have up to two (2) International Players in addition to the four (4) regular Practice Squad Players on its Practice Squad, who may be signed as such at any time after the start of the signing period established in Article XVI, Section 2. An International Player on a Team's Practice Squad (each, an "International Practice Squad Player") shall be signed to an AFL International Practice Squad Player Contract (Exhibit C hereto). It is the Team's responsibility to secure all of the necessary permits required for the International Practice Squad Player to reside and work in the United States. The designation of an International Practice Squad Player must be approved by the AFL.

(b) Player Salary paid to an International Practice Squad Player in the regular season and the post-season (if a Team plays in the post-season) shall be at least the following: \$250 per week in League Year 2003, \$275 per week in League Year 2004, \$300 per week in League Year 2005, \$325 per week in League Year 2006, \$350 per week in League Year 2007, \$375 per week in League Year 2008, \$400 per week in League Year 2009, and \$425 per week in League Year 2010 (or, in each case, any applicable minimum wage, whichever is greater).

(c) Player Salary paid to an International Practice Squad Player during the regular season and/or post-season will not count against the Salary Cap, except to the extent such Player Salary is greater than the amounts set forth in Section 8(b) above. In addition, any housing or meal benefits that are provided to an International Practice Squad Player by a Team will not count against the Salary Cap.

(d) If an International Practice Squad Player signs an AFL Player Contract, his Player Salary and Benefits under that contract shall count against the signing Team's Salary Cap.

(e) If an International Practice Squad Player signs an AFL Player Contract with a Team other than his current Team, when he has that status during the season at the time that that AFL Player Contract is signed, the effectiveness of such contract shall be contingent upon his current Team not "matching" that contract in writing, in a form to be agreed upon by the AFL and the AFLPA, within twenty-four (24) hours of the time of the execution of the contingent contract with the other Team, which time shall be noted on a cover sheet on such contract, the form of which shall be agreed upon by the AFL and the AFLPA.

Section 9. Not Eligible for Injured Reserve Compensation: Practice Squad Players and International Practice Squad Players are not entitled to receive Injured Reserve Compensation.