

Term Sheet

Redevelopment and Improvements to BayCare Ballpark Stadium Facility inclusive of BayCare Ballpark, Phillies Complex, and Carpenter Complex

April [●], 2026

The purpose of this term sheet (the "Term Sheet") is to assist the parties in negotiating and drafting certain future definitive project agreements, which may include a Capital Funding Agreement ("CFA"), Lease/Use Agreement ("Use Agreement"), Non-Relocation Agreement ("Non-Relocation Agreement"; for avoidance of doubt terms relevant to same may instead be set forth in the Use Agreement), and Construction Funds Trust Agreement ("Trust Agreement") in relation to the Project (as defined herein). This Term Sheet sets forth certain terms, conditions and provisions contemplated by the parties to be necessary for (i) the financing, development, design, construction and furnishing of the Project and (ii) the use, management, maintenance and operation of the Stadium Facility (as defined herein). This Term Sheet is intended solely as an expression of interest to facilitate discussions among the parties and does not constitute a legally binding obligation. No party shall be bound in any way unless and until the parties have negotiated, finalized, and executed definitive written project agreements reflecting the terms and conditions of the proposed transactions with respect to the Project (collectively, "Definitive Agreements"). Any obligations of the parties shall arise only under, and subject to, the terms and conditions set forth in the fully executed Definitive Agreements. For the avoidance of doubt, no course of dealing, partial performance, reliance, or continued negotiations shall create any binding obligation in the absence of executed Definitive Agreements.

Section:	Topic:	Contemplated Terms for Definitive Agreements:
1.	Parties:	- City of Clearwater, Florida (the "City") - Pinellas County, Florida (the "County") - The Phillies, a Pennsylvania limited partnership ("The Phillies") - Phillies Florida LLC, a Delaware limited liability company ("Phillies Florida"), a wholly-owned subsidiary of The Phillies.
2.	Background:	The Phillies owns and operates a professional baseball club, which is a member of Major League Baseball ("MLB"), currently known as the "Philadelphia Phillies" (the "MLB Team") and Phillies Florida operates a Minor League Baseball team (the "Minor League Team") operated under the auspices of, and licensed by, MLB Professional Development Leagues, LLC ("PDL") currently known as the "Clearwater Threshers". Phillies Florida currently operates (i) those facilities located within, and on land owned by, the City consisting

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		of the BayCare Ballpark, and the Carpenter Complex, and (ii) the Phillies Complex located within the County and owned by the City (collectively, the “Stadium Facility”) pursuant to certain separate use agreements between the City and Phillies Florida (the “Existing Use Agreements”). The land on which the BayCare Ballpark, the Carpenter Complex, and the Phillies Complex are currently constructed is referred to herein as the “Site” or the “Stadium Facility Campus.”
3.	Project Scope:	The anticipated project (the “Project”) and the anticipated scope thereof are set forth in the Project Narrative attached to this Term Sheet as <u>Exhibit “A”</u> (the “Project Narrative”). A final Project Narrative, Project Scope and Project Budget (in each case including Key Components (as such term will be defined in the definitive CFA) of the Project (the “Key Components”)) will be attached to the definitive CFA. Additionally, attached as <u>Exhibit “B”</u> to this Term Sheet is a conceptual site rendering for the Site and improvements after giving consideration to completion of the Project. For purposes hereof, “Project Scope” will mean the aggregate of all work, improvements, and deliverables to be designed, developed, constructed, installed, and completed as part of the Project, including all buildings, structures, renovations, reconfigurations, site improvements, utilities, fixtures, furnishings, and equipment, as more particularly described in the final Project Narrative and the final plans and specifications for the Project undertaken in accordance with the Definitive Agreements. The Project (other than any necessary off-site improvements including without limitation utilities, drainage, or transportation improvements) will be completed within the existing footprint of the Stadium Facility Campus and the City will not be required to contribute additional real property for the Project. Phillies Florida currently occupies the Stadium Facility Campus and the same has been accepted for development and completion of the Project in its “as-is”

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		condition, subject to any rights necessary to be obtained for any required off-site improvements necessary for completion and operation of the Project.
4.	Permitting:	Phillies Florida will be responsible for applying for and obtaining any required governmental permits or approvals necessary for completion of the Project, the cost of which will be included in the Project Budget. To the extent required by applicable ordinances or legal requirements, the City, solely in its capacity as the owner of the Site, will join in and execute any applications necessary for obtaining any required governmental permits and/or approvals. The City will facilitate, and, to the fullest extent permitted by (and not in violation of) applicable ordinances and legal requirements, expedite any permits or approvals required by the City (in the exercise of its police powers in the issuance of permits and approvals) for commencement and completion of the Project. The City, solely in its capacity as owner of the Site, will further, to the fullest extent possible and permitted by (and not in violation of) applicable law, assist Phillies Florida in the application and prosecution of any other permits and/or approvals issued by other governmental agencies (e.g., the Florida Department of Environmental Protection, the Florida Department of Transportation, the Southwest Florida Water Management District, Tampa Bay Water, U.S. Army Corps of Engineers, etc.). The foregoing, however, does not obligate the City or the County to (i) approve any rezoning or additional land use approval or (ii) issue any building permit, in each case, which would otherwise be in violation of applicable laws. For the avoidance of doubt, the foregoing sentence is not intended to prohibit or restrict Phillies Florida in any manner from applying and prosecuting any rezoning and/or land use amendment as is necessary in order to complete the Project and the City agrees that, as the owner of the Site, it will join in and consent to any such application necessary for completion of the Project in accordance with the terms of the Definitive Agreements. Fees and costs for permits and governmental approvals to the

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		extent required to be paid as a condition of the issuance thereof will be included within the Project Budget.
5.	Design and Construction Documents/Project Budget:	Prior to execution of the Definitive Agreements, Phillies Florida must negotiate documents with third-party design professionals (architects and/or engineers), to be entered into on or before entry into the Definitive Agreements, for the design phase of the Project, which must include budgeted amounts for the design, construction, and/or completion of the various elements of the Project. Phillies Florida must, in connection with such design, establish a budget for the completion of the Project including the cost of developing, designing, constructing and furnishing and equipping the Project which will include hard costs, soft costs, and contingencies, which must be agreed to by the parties (subject to change orders, amendments, reallocations, and parameters all as set forth in the definitive CFA) (the “ Project Budget ”). Disbursements for project costs will be made in accordance with the Project Budget subject to the terms of the definitive CFA.
6.	Project Timeline/Progress Meetings:	The Project will be developed and completed by Phillies Florida in accordance with the Project Budget (which is estimated to have a total cost of not less than \$205,000,000) and a project schedule (the “ Project Schedule ”) (both to be attached to, and subject to the terms of, the definitive CFA). Phillies Florida has previously commenced portions of the Project, which is ongoing and which will be completed in phases. It is anticipated that the Project will be completed in 2029. The Project Schedule may be revised as provided in the definitive CFA and/or as a result of any Force Majeure Event or Governmental Permitting Delay (as such terms are defined below). Phillies Florida must provide to the City and County progress reports, not less than monthly, as to the status of the completion of the Project and adherence to the Project Schedule and the Project Budget. Additionally, if Phillies Florida requests any Material Changes to the Project Schedule or Project Budget, it will submit the same to the City and the County in accordance with, and subject to, the terms and conditions set forth in the definitive CFA. Phillies Florida will not make any Material Change to the Project Scope without the prior written approval of the City and the

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		County, which approval will not be unreasonably withheld or delayed. For the purposes hereof and of the Definitive Agreements: “Force Majeure Event” means any event, action, omission, or circumstance beyond the reasonable control of Phillies Florida (or its contractors, subcontractors, or materialmen) or The Phillies (or their successors in interest), as applicable, whether foreseen or unforeseen, that prohibits, prevents or materially delays the performance of any obligation under the Definitive Agreements, including, but not limited to: acts of God; natural disasters; fire; flood; wind; hurricane; tornado; earthquake; explosion; war; terrorism; civil commotion or unrest; sabotage; strikes, lockouts, or other labor disturbances (whether or not involving employees of Phillies Florida or The Phillies); embargoes; shortages or unavailability of materials, equipment, labor, or utilities; governmental shutdowns; quarantines; public health emergencies; pandemics or epidemics; or the imposition of workplace safety standards, restrictions, or other requirements by any governmental authority in response to a pandemic or public health emergency. For the avoidance of doubt, a Force Majeure Event will include any delay or failure to perform caused by any governmental order, directive, or action (including, but not limited to, shelter-in-place orders, business closures, or restrictions on construction activities) arising from or in connection with a pandemic or public health emergency. “Governmental Permitting Delay” means any delay to the commencement, prosecution, or completion of the Project that (i) directly results from the failure of any governmental authority having jurisdiction thereof to review the application for, approve, and/or issue any certificates, licenses, permits or no action letters required by applicable law for completion of the Project in accordance with the Plans and Specifications within time periods required by applicable law and (ii) could not have been avoided by Phillies Florida’s (or its contractors, as applicable) commercially reasonable, diligent, and timely efforts, including without limitation the prompt and timely preparation and submission of complete applications and supporting materials and payment of fees for such certificates, licenses, permits or no action letters.

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		“Material Change” means, with respect to the Project Budget, the Project Schedule, or the Project Scope, as applicable: (a) any single modification, revision, or adjustment to the Project Budget that increases or decreases the total project cost or any Key Component by more than the lesser of (i) ten percent (10%) of the originally budgeted amount therefor or (ii) an amount in dollars to be agreed to by the Parties in the definitive CFA; (b) any modification, revision, or adjustment to the Project Schedule that extends or accelerates final completion of the Project by more than 180 days; (c) any reallocation of funds among line items in the Project Budget that, although not increasing the project cost, results in a change to any Key Component in excess of the lesser of (i) ten percent (10%) of the originally budgeted amount therefor or (ii) an amount in dollars to be agreed to by the Parties in the definitive CFA. Notwithstanding the foregoing, “Material Change” will not include any modification, revision, or adjustment to the Project Budget, the Project Schedule, or the Project Scope that: (i) is required to comply with applicable laws or the directives of any governmental authority; (ii) arises from a Force Majeure Event or from a Governmental Permitting Delay; (iii) results from a change order as approved in accordance with the terms of the definitive CFA; or (iv) has been approved in writing by the City and the County. For avoidance of doubt, the removal of a Key Component, or substantial deviation in kind from the design of any Key Component at the time of the definitive CFA, from the Project Scope will be a “Material Change”.
7.	Project Agreement Approvals:	Each of the applicable Definitive Agreements will be subject to approval by the City’s City Council. The definitive CFA, definitive Non-Relocation Agreement, definitive Marketing Agreement, and the definitive Trust Agreement (in each case, as and to the extent required or applicable) will be subject to approval by the County’s Board of County Commissioners. Each of the Definitive Agreements (in each case, as and to the extent required or applicable) will be subject to approval by MLB.

Section:	Topic:	Contemplated Terms for Definitive Agreements:
8.	Builder's Risk Insurance:	Builder's Risk Insurance for the Project must be procured by Phillis Florida (for avoidance of doubt, the same may be procured directly by any contractor of Phillis Florida, as opposed to directly by Phillis Florida). The City and Phillis Florida will be shown as insureds under each such Builder's Risk Insurance policy. The cost for premiums and applicable claims related deductibles for such Builder's Risk Insurance will be either included in the construction cost payable pursuant to the applicable construction contract or otherwise may be included within the Project Budget.
9.	Payment and Performance Bonds:	Each direct construction contract must provide for payment and performance bonds covering the contractor under such construction contract and naming Phillis Florida, as obligee thereunder, and will contain dual obligee endorsements in favor of each of the City and the County. Premiums for any such bonds will be either included in the construction cost payable pursuant to such construction contract or otherwise may be included within the Project Budget.
10.	Construction Warranty:	Each prime contractor performing work for the Project under a direct contract with Phillis Florida must provide a written warranty in favor of both the City and Phillis Florida that such prime contractor's work will be free from defects in workmanship and materials for a period of at least one (1) year from the date of completion of such work.
11.	Project Cost Allocations/Overruns/Proceeds for Construction or Design Defects:	Cost savings realized with respect to the allocated cost of any Key Component provided for in the Project Budget may be reallocated, in the discretion of Phillis Florida, to (a) cover cost overruns on other Key Components and/or (b) increase the allocation for contingencies within the Project Budget. Any permitted reallocations will be reflected in an updated Project Budget prepared by Phillis Florida and timely submitted to the other parties in accordance with the terms of the definitive CFA. Phillis Florida will be entitled to all insurance proceeds payable or recoveries made with respect to any design or construction defects in work for the Project, which will be

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		used either for the completion or remediation of design or construction defects or making Phillies Florida whole for funds expended by Phillies Florida in completion or remediation of any such design or construction defect. Any insurance proceeds which are not used as provided in the preceding sentence ("Unapplied Insurance Proceeds") will be shared by the City, the County, and Phillies Florida on a pro rata basis determined as to each such party as follows: (i) as to the City by multiplying the amount of the Unapplied Insurance Proceeds by a fraction the numerator of which is the City Capital Contribution and the denominator of which is the Parties' Aggregate Contributions; (ii) as to the County, by multiplying the amount of the Unapplied Insurance Proceeds by a fraction the numerator of which is the County Capital Contribution and the denominator of which is the Parties' Aggregate Contributions; and (iii) as to Phillies Florida, by multiplying the amount of the Unapplied Insurance Proceeds by a fraction the numerator of which is the Phillies Florida Pro Rata Contribution and the denominator of which is the Parties' Aggregate Contributions.
12.	Capital Contributions:	The anticipated total cost of the Project will include the anticipated costs and expenses incurred or to be incurred in connection with the design, development, construction and completion of the Project (the "Project Costs") and which will be included within the Project Budget. The following are the sources of capital funding for the Project Costs: 1) the anticipated capital contribution based on the net present value of the State Retained Spring Training Facility Funding having a notional value of \$20,000,000.00 (the "State Capital Contribution"); 2) the City's anticipated capital contribution is up to a maximum of \$30,000,000.00 (the "City Capital Contribution"); 3) the County's anticipated capital contribution is up to a maximum of \$85,000,000.00 (the "County Capital Contribution"); and 4) Phillies Florida's total capital contribution will be the Project Cost <i>minus</i> the sum of the State Capital Contribution, the City Capital Contribution and the County Capital Contribution (the "Phillies Florida Capital Contribution"), with the sum of

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		\$75,000,000 thereof for purposes of determining allocation of any costs savings as provided herein being referred to as the “Phillies Florida Pro Rata Contribution”. For purposes of allocation of cost savings as provided herein, the aggregate amount of the City Capital Contribution, the County Capital Contribution, and the Phillies Florida Pro Rata Contribution is referred to herein as the “Parties’ Aggregate Contributions”. If the State of Florida either (i) does not approve or commit to the Retained Spring Training Facility Funding for the Project or (ii) does not approve or commit to the full extent of the anticipated State Capital Contribution, the parties agree to negotiate in good faith modifications to the scope of the Project or specific elements thereof and the Project Budget. Each Party’s Capital Contribution (except to the extent of amounts expended or committed to be expended by Phillies Florida for the Phillies Florida Prior Project Work (as provided and defined in Section 20), which amounts for the Phillies Florida Prior Project Work shall be credited to the Phillies Florida Capital Contribution) and the State Capital Contribution (as outlined in Section 15) will be contributed to the Construction Funds Trust (the “Construction Trust Fund”) to be created, defined, and maintained with a trustee under a definitive Trust Agreement for disbursement for Project Costs in accordance therewith and with the definitive CFA as follows: (i) the State Capital Contribution will be contributed by the City during public entity fiscal year 2027, which commences on October 1, 2026; (ii) subsequent to the State Capital Contribution as provided in clause (i) and on the same date (the “First Funding Date”) as provided in the definitive CFA during public entity fiscal year 2027, each of the City and the County will contribute a portion of its respective Capital Contribution to the Construction Trust Fund in an amount such that, as of the First Funding Date, the amounts contributed or credited (in the case of Phillies Florida) to each of the City, the County, and Phillies Florida (based on amounts expended for Phillies Florida Prior Project Work as of the First Funding Date) reflect each such

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		Party's respective pro rata share of the Parties' Aggregate Contributions; and (iii) on the same date (which is anticipated to be the first anniversary of the First Funding Date) as provided in the definitive CFA during public entity fiscal year 2028, which commences as of October 1, 2027, each of Phillies Florida, the City, and the County will contribute the respective remaining portions of each of the Phillies Florida Pro Rata Contribution, the City Capital Contribution and the County Capital Contribution. Notwithstanding anything contained herein to the contrary, any portion of the County's Capital Contribution that is funded from the proceeds of tourist development taxes pursuant to the Local Option Tourist Development Act, Florida Statutes §125.0104, will be used for the purposes permitted, and not prohibited, by Florida Statutes §125.0104(5)(a) entitled "AUTHORIZED USES OF REVENUE".
13.	Timing/Method of Disbursement:	Disbursements for Project Costs will be made from the Construction Trust Fund pursuant to applications for payment and requisition requests issued by Phillies Florida and supported by contractor applications for payment and invoices, as applicable, submitted to the Trustee, with copies to the City and County, and subject to verification, audit, and the City and County's administrative review as necessary to comply with applicable law, all as provided in the definitive CFA. Interest accrued on funds deposited in the Construction Trust Fund will be available for funding of the Project Costs.
14.	ODP of Builder's Risk Insurance, Materials, and Personal Property:	The City will promptly seek a Technical Assistance Advisement ("TAA") from the Florida Department of Revenue as to the legality under Florida Statutes § 212.08(6) and Florida Administrative Code Rule 12A-1.094 and required mechanisms for the use of "Owner-Direct Purchase" ("ODP") for the Project. Phillies Florida will have the right to request that the City make and the City will make, to the fullest extent permitted by applicable law and consistent with the TAA, ODP for premiums with

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		respect to Builder's Risk Insurance, materials to be incorporated into the Project, furniture, fixtures and equipment installed in connection with the Project, or other third-party services in connection with the Project, in each case to the extent permitted by applicable law. In connection with the use of ODP undertaken in each instance, the City will be entitled to administrative fees (collectively, "ODP Administrative Fees") equal to one percent (1.00%) of the documented actual cost savings achieved by the use of ODP, but which ODP Administrative Fees will not exceed \$100,000.00 in the aggregate for the Project. Any cost savings resulting from the use of ODP, after payment of any applicable ODP Administrative Fees, will be available first for the Project, with any excess to be reallocated as provided in Section 11.
15.	Retained Spring Training Facility Funding:	Subject to certification under, and ongoing compliance with, Florida Statutes § 288.11631 and annual appropriation by the State of Florida, the Project may receive distributions from the State of Florida having a target value equivalent to an amount equal to the net present value, as of the date of initial distribution, of an income stream of \$1,000,000 per fiscal year, payable in equal annual installments over a period of twenty (20) consecutive years (the "Net Present Value"). The calculation of Net Present Value will utilize a discount rate mutually agreed upon by the parties, reflecting prevailing market conditions, at the time of calculation, and will be determined in accordance with generally accepted financial principles. The parties acknowledge and agree that (a) any contribution by the State of Florida is contingent upon statutory certification, satisfaction of all statutory prerequisites and ongoing performance metrics, and annual legislative appropriation; (b) no party has any right to or entitlement to funds from the State of Florida unless and until appropriated and disbursed; and (c) nothing herein will be construed as a pledge of the full faith and credit or taxing power of the State of Florida.

Section: Topic:		Contemplated Terms for Definitive Agreements:
16.	Project Savings:	Upon completion of the Project and payment in full of all Project Costs, to the extent of any overall savings (“ Project Savings ”) as to the total Project Costs expended and the Project Budget attached to the definitive CFA, such Project Savings will be shared by each of the City, the County, and Phillies Florida in the amount determined as to each such party as follows: (i) as to the City by multiplying the Project Savings by a fraction the numerator of which is the City Capital Contribution and the denominator of which is the Parties’ Aggregate Contributions; (ii) as to the County, by multiplying the Project Savings by a fraction the numerator of which is the County Capital Contribution and the denominator of which is the Parties’ Aggregate Contributions; and (iii) as to Phillies Florida, by multiplying the Project Savings by a fraction the numerator of which is the Phillies Florida Pro Rata Contribution and the denominator of which is the Parties’ Aggregate Contributions.
17.	Cost Overruns:	After reallocation of allocated costs for Key Components within the Project Budget as provided herein and exhaustion of amounts allocated for contingencies within the Project Budget, if a Key Component is subject to cost overruns, Phillies Florida will be solely responsible for the amount of such cost overruns.
18.	Cooperation and Public Oversight:	The City and the County (through their designated representative (the “ City/County Construction Representative ”)) may monitor the Project for the purposes of verifying compliance with the definitive CFA, including its provisions relating to verification and audit of amounts expended pursuant to the terms of the definitive CFA and definitive Trust Agreement, provided that any such monitoring, other than the regular Status Meetings (as defined below), will be conducted upon reasonable prior written notice to Phillies Florida, and will be conducted during normal business hours, in a manner that does not unreasonably interfere with the work, and subject to all site safety rules, and consistent with reasonable security protocols imposed by Phillies Florida

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		or its construction manager (the “Construction Manager”). Phillies Florida will coordinate meetings (“Status Meetings”) among Phillies Florida (or its designee), the Construction Manager, the Architect, the City/County Construction Representative, and the City (and, if requested by the County, the County) not less often than once every two (2) weeks, or at such other more frequent intervals as Phillies Florida reasonably determines, in conjunction with the City/County Construction Representative, are necessary to manage the work, meet Project milestones, and address factual discrepancies, and may be conducted virtually where the subject permits. Attendance by the City/County is voluntary and informational, and their failure to attend coordinated meetings will not delay the work. All Phillies Florida contracts for design or construction services must be drafted in a manner that is consistent in all material respects with the negotiated terms of each of the definitive CFA and the payment provisions of the definitive Trust Agreement.
19.	Changes:	Phillies Florida will provide prior written notice to the City and County of any Material Changes to the design or the proposed work, including any Material Changes to the Key Components, the Project Schedule, the Project Budget, or the Project Scope, all in accordance with the terms of the definitive CFA including rights of the City and the County for administrative review. The Key Components must comply in all material respects with the design standards set forth in the definitive CFA. Any Material Change to the agreed design or work that results in an increase in the allocated cost for any Key Component provided for in the Project Budget an amount equal to the lesser of (i) ten percent (10%) of the originally budgeted amount therefor or (ii) an amount in dollars to be agreed to by the Parties in the definitive CFA, and which is payable either by a reallocation from cost savings with respect to Key Components provided for in the Project Budget or from

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		contingency allocations within the Project Budget will be reflected in an updated Project Budget prepared by Phillies Florida and disseminated to the other parties, subject to and in accordance with the requirements of the definitive CFA and as provided in Section 11.
20.	Phillies Florida Prior Project Work:	The Definitive Agreements will further address any elements of the overall Project undertaken and/or completed prior to the date of this Term Sheet, or which are to be undertaken and/or completed during the period commencing on the date of this Term Sheet and prior to both the County's funding of its initial portion of the County Capital Contribution and the City's funding of the initial portion of the City Capital Contribution (" Phillies Florida Prior Project Work "), including credit to Phillies Florida against the Phillies Florida Capital Contribution for all amounts expended and/or committed by Phillies Florida with respect to the Phillies Florida Prior Project Work, which, as of the date of this Term Sheet, is the aggregate approximate sum of \$43,000,000.00.
21.	Use Agreement Term:	The City and Phillies Florida will enter into a definitive amended and restated Use Agreement (amending and restating the Existing Use Agreements into a single agreement) consistent with the terms of the Existing Use Agreements (as modified as contemplated by this Term Sheet) providing for a term(s) commencing as of January 1, 2028 and ending as of December 31, 2047 (the equivalent of twenty (20) MLB Spring Training Seasons) with two (2) automatic five-year renewals, unless Phillies Florida notifies the City that it does not intend to further renew the definitive Use Agreement not less than two (2) years prior to the then expiring term.
22.	Use Payments:	The definitive Use Agreement will provide for payment by Phillies Florida of the following use fees for each year of the term: \$350,000.00 per year for BayCare Ballpark and the Phillies Complex for the initial year, with annual adjustments of the percentage change in the Consumer Price Index (base year is the first year of the term of the Use Agreement) from year to year.

Section: Topic:		Contemplated Terms for Definitive Agreements:
		\$200,000.00 per year for the Carpenter Complex for the initial year, with annual adjustments of the percentage change in the Consumer Price Index (base year is the first year of the term of the Use Agreement) from year to year. \$1.20 per MLB Spring Training ticket sold each year.
23.	Ad Valorem Taxes:	Liability for ad valorem taxes and assessments for the Stadium Facility Campus will be as provided in the Existing Use Agreements.
24.	Maintenance:	The quality of materials incorporated into the Project will not deviate in any material respect from the quality of such materials as provided in the final plans and specifications for the Project in a manner that would materially increase the cost to the City of maintenance, repair, and/or replacement of elements of the Stadium Facility Campus. Phillies Florida will operate and manage the Stadium Facility Campus consistent with current practice under the Existing Use Agreements. The City will employ staff or retain independent contractors, or reimburse Phillies Florida for the cost of staff or independent contractors of Phillies Florida consistent with current practice under the Existing Use Agreements. Each of Phillies Florida and the City will provide the annual funding necessary to satisfy their respective operating and maintenance responsibilities (including without limitation an annual contribution by the City for field supplies in an amount of up to \$85,000.00 for the initial year, with annual adjustments of the percentage change in the Consumer Price Index (base year is the first year of the term of the Use Agreement) from year to year), but otherwise in a manner consistent with current practice under the Existing Use Agreements. <u>Exhibit "C"</u> details Phillies Florida's operating and maintenance responsibilities. The City will be responsible for all operating and maintenance responsibilities not identified in <u>Exhibit "C"</u>.
25.	Indemnification:	Obligations for indemnity as to the City will be consistent with the Existing Use Agreements. Phillies Florida will indemnify and defend the County for any claims relating to the Project except to the extent such claim is as a result

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		solely of the gross negligence or willful misconduct of the County, its employees, agents, or independent contractors, or arising from a breach by the County of any Definitive Agreement to which the County is party.
26.	Naming Rights/Sponsorships:	Phillies Florida will retain 100% of the revenue generated from the sale of sponsorships and/or naming rights of all or any portion of the Stadium Facility Campus.
27.	Home Games; Non-Relocation:	The definitive Use Agreement will provide that (i) the MLB Team will play all home games during the regular MLB spring training season and (ii) the Minor League Team will play all home games during the PDL regular season within the BayCare Ballpark, except that either of the MLB Team and the Minor League Team may play home games in international locations or other locations in which the applicable team is designated as the “home team” (a) as required or approved by MLB or PDL, as applicable, in accordance with MLB or PDL Rules and Regulations <i>applicable uniformly to all teams within each respective league or to all similarly-situated teams</i> (Note: the italicized language or substitute language is subject to the approval of MLB before inclusion in the Definitive Agreements), (b) as a result of any damage or destruction to the BayCare Ballpark, or (c) as a result of any Force Majeure Event. Additionally, neither the MLB Team nor the Minor League Team will be required to play any scheduled spring training home game as to the MLB Team, or any scheduled regular season home game as to the Minor League Team as a result of the cancellation of any such scheduled home game (x) as required by MLB or PDL, as applicable, in accordance with MLB or PDL Rules and Regulations, (y) as a result of inclement weather or a Force Majeure Event, or (z) as a result of the cancellation of any spring training season in the case of the MLB Team or any regular season in the case of the Minor League Team. The County will be a beneficiary with independent enforcement rights under any definitive Non-Relocation Agreement or of the Use Agreement, to the extent that non-relocation provisions are set forth in the definitive Use Agreement instead of a separate definitive Non-Relocation Agreement.

Section:	Topic:	Contemplated Terms for Definitive Agreements:
28.	Sale of Team:	To the extent of any sale of or change in ownership of the MLB Team, all of the Definitive Agreements must be transferred and assigned to the new owner of the MLB Team or an affiliate thereof. To the extent of any sale of or change in ownership of the Minor League Team only, all rights and obligations applicable to the Minor League Team under the Definitive Agreements will be transferred and assigned to the new owner of the Minor League Team. For avoidance of doubt, neither the City nor the County will have the right to approve any such sale or transfer, however, The Phillies and/or Phillies Florida, as applicable, will provide written notice to the City and County of such transfer, and include evidence of any required consent of Major League Baseball and/or MLB Professional Development Leagues, LLC, as applicable.
29.	Disaster Staging Provisions:	To be consistent with the terms of the Existing Use Agreements.
30.	Future Capital Expenditures:	Provisions as to capital improvements and capital expenditures relating to the Stadium Facility Campus will be consistent with the provisions of the Existing Use Agreements relating to capital improvements and capital expenditures, including a requirement that the City, as owner of the Stadium Facility Campus, will be responsible for all of the cost of any MLB Required Improvements or such improvements as may be otherwise required by law. Discretionary capital improvements and financial responsibility therefor as between the parties will be determined prior to undertaking the same. “MLB Required Improvements” shall mean any Capital Improvement or Capital Expenditure required to be made or undertaken by Major League Baseball, MLB Professional Development Leagues, LLC, or any other affiliate of Major League Baseball, or otherwise necessary to maintain the Stadium Facility in accordance with first-class MLB Spring Training stadium standards at the time of reference.
31.	Marketing Trips by City/County Officials:	To be consistent with the existing practice with respect to same and incorporated into a definitive Marketing Agreement and the Use Agreement. The value of the

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		marketing commitment by The Phillies to the County Tourism Agency (Visit St. Pete Clearwater “VSPC”) will be set at \$850,000.00 annually beginning in 2026, with a 3% annual escalator beginning in 2032.
32.	Dispute Resolution¹:	The Definitive Agreements to which the County is not a party will include provisions for expedited binding alternative dispute resolution (“ Expedited ADR ”) only as to disputes during and related to the construction of the Project and consistent with the following: (i) any such dispute will be conducted before a panel of three arbitrators, with the City and Phillies Florida each selecting an arbitrator of their choice, and with the third arbitrator to be selected by agreement of the two chosen arbitrators and (ii) such arbitration proceedings will occur in Clearwater, Florida. All other disputes may be subject to alternative dispute resolution mechanisms and procedures to be set forth in such Definitive Agreements, but such procedures will not include “binding” arbitration. Each other Definitive Agreement will provide for alternative dispute resolution mechanisms and procedures for certain matters provided that such mechanisms and procedures do not include “binding” arbitration.
33.	Guaranty:	The Phillies must guaranty payment obligations of Phillies Florida under the Definitive Agreements. Additionally, consistent with the Existing Use Agreements, The Phillies must agree to be bound by the provisions requiring the MLB Team to play spring training Home Games at the BayCare Ballpark as provided herein.
34.	Major League Baseball Required Language:	Each of the Definitive Agreements must include (and this Term Sheet is subject to) the following clause as required by Major League Baseball (“ MLB ”): Notwithstanding any other provision of this Agreement, this Agreement and any rights or exclusivities granted by The Phillies hereunder shall in all respects be subordinate to the MLB Rules and Regulations and the

Section:	Topic:	Contemplated Terms for Definitive Agreements:
		PDL Rules and Regulations <i>applicable uniformly to all teams within each respective league or to all similarly-situated teams</i> (Note: the italicized language or substitute language is subject to the approval of MLB before inclusion in the Definitive Agreements). The issuance, entering into, amendment or implementation of any of the MLB Rules and Regulations or the PDL Rules and Regulations shall be at no cost or liability to any MLB Entity or MLB PDL Entity or to any individual or entity related thereto. No rights, exclusivities or obligations involving the Internet or any interactive or on-line media (as defined by the applicable MLB Entities) are conferred by this Agreement, except as are specifically approved in writing by the applicable MLB Entities. MLB and MLB PDL are intended third party beneficiaries of the provisions of this [SECTION] and each other provision in this Agreement that specifically prohibits action without first obtaining MLB Approval or PDL Approval and has the right to waive or enforce such other provisions directly against any party hereto (or their successors and permitted assigns).

Contemplated Project Agreements:

- **Capital Funding Agreement** – Agreement among the City, County and Phillies Florida providing for (among other things): the final description of the Project including, and definitively describing, Project Key Components, Design Standards, financial contributions of each of the Parties and financing and Project Funding mechanisms (including potential use of Owner Direct Purchasing as well as payment and review provisions to implement reimbursement and other payments by the Trustee from the Construction Funds Trust Agreement); defining applicable terms; providing for dispute resolution; providing for allocation of final Project Savings; and providing for contingencies.
- **Use Agreement** – Facilities Use Agreement describing the premises to be used by Phillies Florida, the length of the term and renewal options, use fees, allocation of maintenance and operating responsibilities, division of labor, future Capital Improvements and Capital Expenditures, and dispute resolution mechanisms, including expedited processes for repair and maintenance issues, and otherwise generally consistent with the terms of the Existing Use Agreements.
- **Non-Relocation Agreement (or provisions in Use Agreement)** – An agreement (or provisions in the Use Agreement) among the City, the County, Phillies Florida, and The Phillies providing, subject to certain enumerated exceptions, for the MLB Team to play its Home Games during the MLB Spring Training Season, and the Minor League Team to play its MiLB Home Games within the BayCare Ballpark consistent, except as provided herein, with the terms as to same currently set forth in the Existing Use Agreements.
- **The Phillies Guaranty** – Guaranty by The Phillies of the payment obligations of Phillies Florida

under the Definitive Agreements.

- **Construction Funds Trust Agreement** – Agreement among the City, County and Phillies Florida providing for the escrow of funds required to be contributed by each pursuant to the terms of the Capital Funding Agreement, appointing a Trustee to administer the Construction Funds Trust, and providing for the disbursement of the escrowed funds by the Trustee pursuant to the terms thereof.
- **Interlocal Agreement** – If required, an agreement between the City and County to assure the necessary flow of funds for their respective funding of the Project Costs required to be funded by them and, as applicable, eligibility for State of Florida funding for a Retained Spring Training Facility.

EXHIBIT A

PROJECT NARRATIVE

The Phillies Clearwater Campus (“Campus”) is comprised of three parcels:

1. BayCare Ballpark (stadium at 601 N. Old Coachman Road)
2. Carpenter Complex (player development complex at 651 N. Old Coachman Road)
3. Phillies Complex (residential property at 650 N. Old Coachman Road)

BayCare Ballpark

A general description of the expected Project key components on the BayCare Ballpark parcel includes, but is not limited to, the following items. Components marked with an asterisk (*) have been completed or are currently in process. Notations such as “BCB1A” are provided solely for reference to the site plan of the Campus for ease in identifying the location of a particular item.

1. BCB1 - Stadium Improvements
 - a. BCB1A - Constructing and renovating, on both the stadium’s home and visiting sides and for males and females, player, coaching and related staff areas, such as:
 - i. locker rooms
 - ii. wet areas
 - iii. strength & conditioning
 - iv. treatment
 - v. recovery
 - vi. hydrotherapy
 - vii. mental health
 - viii. mental performance
 - ix. video coaching
 - x. dining
 - xi. kitchen
 - xii. batting cages

These improvements include mandatory facility standards elements for the Clearwater Threshers to be compliant under their Player Development License (PDL) with Major League Baseball (MLB) as well as elements necessary to bring the stadium’s facilities for MLB players up to MLB first-class standards, a portion of which was completed during the restoration work that was necessary following Hurricanes Milton and Helene. This Project element involves renovation of approximately 50,000 square feet of existing stadium footprint, of which 15,000 square feet on the ground level related to the

EXHIBIT A
PROJECT NARRATIVE

completed effort referred to as the PDL Project (the primary purpose of which was to bring the visiting side of the stadium into PDL compliance on behalf of the Clearwater Threshers franchise) and 35,000 square feet on the ground level of the existing footprint relates to planned MLB home team improvements. The current plan includes a ground-floor stadium footprint expansion to the north that totals approximately 21,000 square feet to accommodate several of the elements described above, including batting tunnels, training, recovery, kitchen and dining space. There is also a planned 2-story stadium footprint expansion to the north with 8,000 square feet per floor for certain elements described above and operating space, as well as an enclosed connection on the west side of the building for operational vertical and horizontal movement.

Other elements of the BCB1 Project key component include:

- b. BCB1B - Renovating the left field concourse, including expanding it by approximately 9,000 square feet, relocating the playground, and replacing and modestly relocating a new Frenchy's Tiki Pavilion to allow for better fan access and experience;
 - c. BCB1C – Enhancing concessions, including refreshing existing stands and expanding capacity for portables through the expanded concourse described in BCB1B and BCB8;
 - d. BCB1D - Renovating and expanding (by 4,000 square feet) general stadium operating space on the concourse and suite levels, including a covered walkway necessary for operational vertical and horizontal movement;
 - e. BCB1E - Expanding the main retail store on the concourse level of the stadium from 1,900 square feet to 2,700 square feet to improve fan access and experience;
 - f. BCB1F - Constructing new restrooms for Hooters Diamond Dugout fans (this area hosts as many as 35 fans and we currently have only one toilet serving these VIP guests; this element will provide a greatly improved fan experience through modernizing the facility and expanding the number of toilets);
2. BCB2 - Replacing and relocating the main video board and related control equipment and upgrading the portion of the berm where the main video board is located*;
3. BCB3 - Constructing a 3-story (approximately 3,000 square feet per floor) expansion at the southwest corner of the stadium that would incorporate a new elevator tower and lobby to enhance ADA and fan convenience capabilities and house

EXHIBIT A

PROJECT NARRATIVE

Maintenance on the ground floor (for the entire Campus), information technology and communications equipment and cleaning operations space on the second floor (both of which will service the entire Campus), and on the third floor a suite and club kitchen (the current 400 square foot suite and club kitchen space has been grossly insufficient since the ballpark's inaugural year and will be converted into much-needed suite and club storage);

4. BCB4 - Replacing stadium seating, chairs and benches generally with status quo size and quality;
5. BCB5 - Replacing metal halide field lighting with LED field lighting;
6. BCB6 - Constructing a 2-story Center Field building, with approximately 1,200 square feet per floor, to house fan restrooms on the concourse level, an elevator for fan use, and a rooftop deck that will accommodate approximately 50 fans;
7. BCB7 – Refurbishing suite interiors and converting the walkway behind the press area, suites and the First Base Club into climate-controlled space that would extend from a new restroom at the east end to a new elevator tower and lobby at the West entrance to enhance ADA and fan convenience capabilities;
8. BCB8 - Expanding the right field concourse by 3,500 square feet to allow for better fan access and experience and updating the grounds crew work area beneath the concourse;
9. BCB9 - Upgrading the West fan entrance plaza, which is the primary fan entrance from N. Old Coachman Road.

Carpenter Complex

A general description of the expected Project key components on the Carpenter Complex parcel includes, but is not limited to, the following items. Components marked with an asterisk (*) have been completed or are currently in process. Notations such as “CC1” are provided solely for reference to the site plan of the Campus for ease in identifying the location of a particular item.

1. CC1 - Constructing a Baseball lab inside the Montgomery Building*;
2. CC2 – Updating the existing 17,000 square-foot Owens Building;
3. CC3 - Replacing the 3,700 square-foot Groundskeeping Building (which services the entire Campus);
4. CC4 – Improvements to Ashburn Field including:
 - a. Conversion of half of the field into two grass half-fields;
 - b. Conversion of half of the field into an artificial grass agility field and covered pitching mounds;

EXHIBIT A
PROJECT NARRATIVE

- c. Upgrading drainage and underground water retention and diversion capabilities (benefits the entire Campus);
 - d. A storage area for field maintenance and player-related supplies.
5. CC5 – Relocating the existing multi-purpose tent at the stadium to Carpenter Complex for minor-league spring training dining and other related uses.

Site Improvements and Soft Costs

The Project will include customary soft costs (e.g. design, project management, insurance, etc.) and infrastructure across all Project components. The Project will also include Campus site improvements, including relocations and upgrades to Campus utilities, service road improvements, and adding a site generator to support emergency recovery situations. In addition, the Project is designed to include flood mitigation elements at various Campus locations, expanding employee parking primarily through a conversion of the Phillies Complex into a parking lot, technology items such as installing Campus Wi-Fi*, and replacing way finding signage primarily at the stadium.

The current Project design, primarily through expanded concourse space, relocation of the playground, and a new Center Field fan rooftop deck, will provide flexibility to expand the BayCare Ballpark attendance capacity by several hundred compared to the current attendance capacity of 10,900, which consists of nearly 7,300 fixed seats plus berm and standing room capacity.

EXHIBIT B



Exhibit C

Phillies Maintenance and Repair Responsibilities

BayCare Ballpark

- Cleaning and trash removal of stadium seating bowl, concourse, suite level and surrounding common areas for all Phillies events.
- Cleaning and trash removal of all parking and exterior common areas for all Phillies events.
- Cleaning and pressure washing of all interior ballpark areas, exterior sidewalks and plaza areas.
- General housekeeping and cleaning of all interior buildings, player areas, offices, etc. on an as needed and regular basis.
- Responsible for all necessary police, EMT and contracted security personnel for all Phillies events.
- All cleaning and regularly scheduled maintenance of carpet, tile and flooring surfaces throughout the facility.
- Maintenance and cleaning of all fountains and whirlpools.
- Fire and security monitoring.
- Contracted maintenance services such as document shredding, medical waste removal, air conditioning filters, concessions cooking equipment repair, concessions beverage line cleaning, concessions hood cleanings, concessions mechanical equipment (portable beer taps and refrigerators) , communications and servers, security and baseball operations camera systems, cooling tower water treatment, grease trap jetting and pumping, ansul fire suppression, pest control and life safety equipment (fire extinguishers and AEDs).
- Maintenance and repair of electronic gates.
- Minor repairs including light bulb replacement, umbrellas, ceiling tiles, millwork drywall repair, and “touch up” painting.
- Maintenance, repair, and replacement of all static advertising signage.
- All day-to-day maintenance and repair of playing fields, batting tunnels and bullpens.
- Labor related to light maintenance and repair of seating in all spectator areas utilizing seat parts provided by the City at its cost.
- Public restroom cleaning (labor and supplies) and supplying all restroom paper products.
- Maintenance and replacement of laundry equipment and supplies.
- Supply and maintain all portable concourse concessions and retail kiosks.
- Maintenance and replacement of all interior and exterior banners promoting Phillies, Threshers and Naming Rights partners.

Exhibit C

Carpenter Complex

- General housekeeping and cleaning of all interior buildings, player areas, offices, etc. on an as needed and regular basis.
- Responsible for all necessary police, EMT and contracted security personnel for all Phillies events.
- All cleaning and regularly scheduled maintenance of carpet, tile and flooring surfaces throughout the facility.
- Maintenance and cleaning of all fountains and whirlpools.
- Fire and security monitoring.
- Contracted maintenance services such as document shredding, medical waste removal, communications and servers, security and baseball operations camera systems.
- All day-to-day maintenance and repair of playing fields, batting tunnels and bullpens.
- Public restroom cleaning (labor and supplies) and supplying all restroom paper products.
- Maintenance and replacement of laundry equipment and supplies.
- Maintenance and replacement of all interior and exterior banners promoting Phillies, Threshers and Naming Rights partners.