

July 5, 2023

Chicken N Pickle Holdings LLC
107 E 18th Ave
North Kansas City, MO 64116

Dear Dave:

This term sheet outlines the significant business terms of a Public Private Partnership Agreement the Parties intend to negotiate to construct and operate a pickleball-based family entertainment venue (the "Project") within the Village of Estero at the location of the Village Center Hub (the "Site"). This term sheet is binding among the Parties as provided for in Section XI below, and outlines significant terms, relevant to the Parties and the project with the good faith intent of incorporating the terms into a final Public Private Partnership agreement (the "Agreement").

I. PARTIES

- A. Village of Estero ("Village")
- B. Chicken N Pickle ("CnP")
- C. Collectively the "Parties"

II. SITE DESCRIPTION

Open Space Master Plan

Village staff and consultants developed a long-range vision that:

- Leverages existing Village, county, state, federal, institutional, and private assets;
- Responds to residents' top priority needs;
- Reflects the Village's "government-light" philosophy;
- Is based on sound planning principles and aspirational level-of-service guidelines;
- Respects existing land development patterns and character.

The Village's vision for its parks and recreation system is to create a high-quality, beautifully maintained parks and recreation system that meets the needs of all Village residents including youth, families, adults, and retirees. The system will include parks, open space, and recreation areas owned by the Village, homeowner associations (HOAs), Lee County, the State of Florida, the Lee County School District, and other facility and program providers. The Parks and Recreation System can be conceptualized as a network of interconnected "subsystems," each with its own guiding principles, primary and secondary providers, and service-delivery models. The Village's proposed subsystems include local parks, community parks, special purpose venues, recreation centers, multi-purpose athletic fields, trails & bikeways, and natural areas, all with recreation, education, environmental, culture, and social programs intertwined so as to enrich residents' lives and improve the overall community. Each existing and proposed park and open space should be designed and maintained to be consistent with the character of the surrounding "hub" it is located in. Per the Open Space Master Plan, the "Village Center Hub" should be designed as a high-density, active, urban civic space.

Village Center Hub

The "Village Center Hub" is defined by Corkscrew Road to the north, S. Tamiami Trail/US 41 to the west, Williams Road to the south, and River Ranch Road to the east (excluding the residential area in the northeast quadrant). The hub is already home to the Village's civic uses, including the Village Hall, Estero High School, and Estero Community Park and Recreation Center. The proposed new hospital/mixed-use development between US 41 and Via Coconut Point will add new health care, wellness, entertainment, retail, and office-uses to the area. The hub is to be master

planned to create higher-intensity, mixed-use land uses along both Corkscrew Road and US 41; an internal, multi-modal street network that connects to both roads; and an iconic new Village Hall/Civic Center that establishes a civic presence and brand. Additional uses could include a fitness and wellness center, spa, urban lake front promenade, performing arts center, outdoor amphitheater, and other civic and lifestyle uses.

Entertainment District

The “Entertainment District” is designed to be a vibrant gathering point for Estero residents and visitors alike. It will be anchored by at least two complimentary family entertainment concepts. These concepts will offer a wide variety of indoor and outdoor options.

Site Development – CAM

The Entertainment District Site, shown on **Exhibit A**, will be constructed, owned, and maintained by the Village of Estero. Certain parcels shall be ground leased to the family entertainment operator for specific use. The remaining common area of the site shall be used for storm drainage, traffic circulation, parking, and green spaces for the benefit of all. There will be a common area maintenance agreement between the Village of Estero and the family entertainment operators.

III. PROJECT DESCRIPTION

- A. The project will include approximately 20,000 sf of indoor entertainment space, 6 environmentally controlled pickleball courts, and outdoor socializing space to be defined.
- B. The project will include 12-15 outdoor pickleball courts financed and constructed by the Village of Estero, managed by the Operator.
- C. The Parties acknowledge that the Entertainment District is designed to offer a wide variety of complimentary entertainment options offered by different operators. Spirit of collaboration and mutual economic benefit.

IV. FINANCIAL TERMS

- A. The Village of Estero will contribute approximately 2 acres to the Operator underlying its primary indoor entertainment building, 6 indoor, environmentally controlled pickleball courts, and socializing space.
- B. The Village of Estero shall receive a revenue share based on the percentage of sales generated at the following rates:
 - 10% of the first \$500,000.00 in sales
 - 20% of sales between \$500,000.01 and \$1,000,000.00
 - 30% of sales over \$1,000,000.01.
- C. The Village shall pay 3.5-3.75 million dollars for 12-15 covered, outdoor pickleball courts with common social areas that will be operated by CnP. Design and construction of the outdoor pickleball courts is to be determined. CnP shall manage the Village’s outdoor pickleball courts and include said courts in its reservation system.
 - 1. Priority access will be granted to Estero residents to the outdoor courts, being provided access to the reservation system.

2. The Parties shall mutually agree on a budget for CnP to operate the outdoor courts. The operating budget shall include an amount for normal replacement and repair costs to be defined.
3. The Village shall be responsible for major capital replacement items for the outdoor pickleball courts, to be defined.

Common Area Maintenance

- A. The Village shall fund, design, engineer, construct and maintain all common areas including roads, parking lots, utilities, stormwater retention, wayfinding signage, hardscape, and landscape areas.
- B. The Operator shall have reciprocal easement rights to traffic and pedestrian circulation and non-dedicated parking areas. A mutually agreeable number of parking spaces shall be dedicated to The Operator adjacent to its building structure.
- C. The Operator shall pay a Common Area Maintenance (“CAM”) fee of \$___ per square foot to the Village, pursuant to a Common Area Maintenance Agreement, to cover normal maintenance costs and amortization of common area improvement for that portion of land that would have otherwise been purchased by Operator for parking, drainage, and site circulation. This fee will be determined and included on this term sheet prior to execution.

V. COMMUNITY ACCESS

In addition to granting priority access to Estero residents to the outdoor courts as referenced in Section IV. D. 1. above, the Parties also commit to provide priority access and discounted rates to Estero residents to the entertainment venue and indoor pickleball courts on a mutually agreeable schedule.

VI. COMMUNITY SUPPORT

The Operator commits to maximize support for local charitable and community organizations in its programming offering opportunities for events benefitting those organizations.

VII. DESIGN & DEVELOPMENT

The Village of Estero will design, engineer, and construct all site improvements including mass grading, public utility main lines, storm drainage, roads, and parking areas.

The Village of Estero will deliver to the Operator a pad ready site, per specifications as outlined in **Exhibit A** to this binding term sheet.

The Village of Estero will fund the 12-15 outdoor courts.

VIII. PROPERTY MANAGEMENT

The Operator shall be responsible for managing its owned property.

The Village of Estero shall be responsible for managing all common areas pursuant to a Common Area Maintenance (“CAM”) agreement.

IX. PARKING

The Operator shall be provided a mutually agreeable number of dedicated parking spaces and service/delivery space at its primary building.

The Operator and the Village shall enter into a reciprocal easement agreement allowing pedestrian and vehicular access throughout the site for circulation, parking, and common area enjoyment.

X. CONTINGENCY

The cost reimbursement obligations set forth in Section XI below are subject to mutual agreement between the Parties on Site Plan and project build out budget, to be determined in advance of execution of a final Public Private Partnership Agreement and associated agreements.

XI. NATURE OF TERM SHEET; AGREEMENT TO PROCEED IN GOOD FAITH AND TO REIMBURSE

This term sheet is intended to memorialize the mutual agreement of the Parties that they are jointly committed to enter into a Public Private Partnership Agreement for the project. However, the Parties agree that the terms and conditions set forth herein are in the nature of a letter of intent, as that phrase is applied in Florida law, and shall not constitute a final Public Private Partnership Agreement between them until such an Agreement has been agreed to and executed by the Parties.

Notwithstanding the foregoing, the Parties to this term sheet acknowledge that they will, moving forward but prior to execution of an Agreement, both be incurring significant expenses related to the development of plans, documents, maps, engineered drawings, engineering, financial and legal services, and similar expenses. The Parties therefore agree to negotiate with each other in good faith towards a Public Private Partnership Agreement, and that by executing this term sheet, they each assume liability to the other if one or the other becomes unable or unwilling to enter into a Public Private Partnership Agreement and/or to subsequently design and construct the related improvements, and that failure to do so would constitute a default of these obligations. In the event of a default of these obligations, the defaulting Party would be required to compensate the non-defaulting Party for expenses incurred up to the date of default, with an amount not to exceed **TBD**.

Steve Sarkozy
Village Manager – Village of Estero

Dave Johnson
Founder – Chicken N Pickle

Exhibit A

The Entertainment District – Site Plan

To be inserted once finalized and mutually agreed upon.