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2003-2006 BASIC AGREEMENT

This Agreement, effective September 30, 2002, is between the 30 Major League Clubs and the Major League Baseball Players Association (hereinafter referred to as the "Players Association" or the "Association").

In making this Agreement the Association represents that it contracts for and on behalf of the Major League Baseball Players and individuals who may become Major League Baseball Players during the term of this Agreement, and the Clubs represent that they contract for and on behalf of themselves, any additional Clubs which may become members of the Major Leagues and the successors thereof.

ARTICLE I—Intent and Purpose

The intent and purpose of the Clubs and the Association (hereinafter "the Parties") in entering into this Agreement is to set forth their agreement on certain terms and conditions of employment of all Major League Baseball Players for the duration of this Agreement. Each of the Parties acknowledges the rights and responsibilities of the other Party and agrees to discharge its responsibilities under this Agreement.

ARTICLE II—Recognition

The Clubs recognize the Association as the sole and exclusive collective bargaining agent for all Major League Players, and individuals who may become Major League Players during the term of this Agreement, with regard to all terms and conditions of employment, provided that an individual Player shall be entitled to negotiate in accordance with the provisions set forth in this Agreement (1) an individual salary over and above the minimum requirements established by this Agreement and (2) Special Covenants to be included in an individual Uniform Player's Contract, which actually or potentially provide additional benefits to the Player.

ARTICLE III—Uniform Player's Contract

The form of the Uniform Player's Contract between a Club and a Player is attached hereto as Schedule A which is incorporated herein by reference and made a part hereof.

During the term of this Agreement, no other form of Uniform Player's Contract will be utilized. Should the provisions of any Contract between any individual Player and any of the Clubs be inconsistent with the terms of this Agreement, the provisions of this Agreement shall govern. Subject to the limitations set forth in Article IV below, nothing herein contained shall limit the right of any Club and Player to enter into Special Covenants in the space provided in a manner not inconsistent with the provisions of this Agreement. The termination of this Agreement shall not impair, limit or terminate the rights and duties of any Club or Player under any Contract between any individual Player and any of the Clubs.

ARTICLE IV—Negotiation and Approval of Contracts

A Player, if he so desires, may designate an agent to conduct on his behalf, or to assist him in, the negotiation of an individual salary and/or Special Covenants to be included in his Uniform Player's Contract with any Club, provided such agent has been certified to the Clubs by the Association as authorized to act as a Player Agent for such purposes.

The Association shall provide the Office of the Commissioner with a comprehensive list of the certified Player Agent(s) whom each Player has designated to act on his behalf for the purposes described in this Article IV. Further, the Association shall provide the Office of the Commissioner with any changes to such Player Agent designations, including the Player Agent designations of Players who have been added to a Major League roster, on a weekly basis.

If the Association has notified the Office of the Commissioner that a Player has designated a certified Player Agent or Agents to act on his behalf for the purposes described in this Article IV, no Club may negotiate or attempt to negotiate an individual salary and/or Special Covenants to be included in a Uniform Player's Contract with any Player Agent(s) other than such Player Agent(s).

A Club may require a Player's physical presence only once during contract negotiations. This limitation shall not apply to telephone conference calls, at reasonable times, with a Player and his certified Player Agent. A Player required to be physically present during negotiations

shall be entitled to be paid by the Club for round-trip first-class transportation and first-class hotel costs.

Upon execution of a Uniform Player's Contract by the Club and Player, the Club promptly shall submit the Contract, in duplicate, to the Commissioner for approval. Within 20 days of receipt, the Commissioner shall approve or disapprove the Contract (with notice to the Association), or provide the Association with a written explanation of why the Contract has not been approved. This period is extended to 30 days if a Contract is received by the Commissioner between February 15 and April 15. Within ten days after the Commissioner is to provide an explanation of why a Contract has not been approved, the Commissioner shall approve or disapprove the Contract. (See Attachment I.) Any Grievance challenging the Commissioner's conduct under this Article shall be handled by the Parties on an expedited basis with documents being exchanged within 10 days of the filing of the Grievance, a hearing commencing within 15 days of the filing of the Grievance and the Panel issuing an Award (with an opinion to follow, if necessary) no later than 15 days following the commencement of the hearing.

ARTICLE V—Scheduling

A. Length of Season

During the term of this Agreement, each Club shall be scheduled to play 162 games during each championship season. A championship season will not be scheduled over a period of less than 178 days or more than 183 days. If, however, any Club's championship season is scheduled to open with a game played outside of the United States and Canada, and the scheduling of such a game causes the championship season for those Clubs to be scheduled over a period of more than 183 days (an "International Opener"), then the championship season for all other Clubs shall commence on the date of the first regularly scheduled championship season game within the 183 days preceding the regularly scheduled end of the championship season. (See Article VI(C) and Article XV(J)(6), below.)

Following completion of each championship season, eight Clubs shall engage in best of five (seven if the Division Series is expanded) Division Series. (See Attachment 25.) The winners of the Division Series

in each League shall then engage in a best of seven League Championship Series, and the winners of the two League Championship Series shall engage in a best of seven World Series. If during the term of this Agreement the format of the Division Series, the League Championship Series or the World Series is proposed to be changed, the Clubs shall give the Association notice thereof and shall negotiate the proposed change with the Association; provided, however, that if during the term of this Agreement the Division Series is proposed to be changed to the best of seven games, the Clubs shall give the Association notice thereof and shall negotiate with the Association but the Clubs shall not be required to negotiate with the Association over contributions to the Players' pool beyond those specified in Article X. Any failure to play the Division Series, the League Championship Series or the World Series, in whole or in part, by reason of causes beyond the control of the Clubs, shall not constitute a change in the format of such Series or a breach of this Agreement.

During any negotiations between the Parties on the subject of a renewal of or successor to this Agreement, the Clubs agree that any proposal made by the Association to reduce the number of championship season games shall not be resisted on the ground of commitments made by the Clubs in local television and radio contracts. However, nothing herein shall interfere with or limit the right of the Clubs to resist such proposal on any other ground or the right of either Party to take any other position in future negotiations on this or any other proper subject for collective bargaining.

B. Championship Schedules

On or before July 1st of each year, copies of the tentative championship schedules of the Major Leagues for the next ensuing season shall be submitted to the Association for review. The Association shall complete its review not later than October 15th.

C. Additional Scheduling Agreements

(1) Split doubleheaders shall not be scheduled in the original schedule. Provided that neither of the Clubs involved in the proposed rescheduled game already has played or has been rescheduled

to play a total of two split doubleheaders in that championship season:

(a) each Club shall have the right to reschedule any postponed game as a split doubleheader when ticket sales for the game at the time of postponement exceed, in any respect, the number of comparable tickets available to be exchanged by the Club for the balance of the championship season, and both the postponed and rescheduled game occur in the last regularly scheduled series between the two Clubs at the Club's park; and

(b) when there is no practical alternative to doing so, the Boston Red Sox and Chicago Cubs shall have the right to reschedule a postponed game as a split doubleheader to be played in, respectively, Fenway Park and Wrigley Field, even if the criteria set out in subparagraph (a) above are not met. Scheduling a postponed game as part of a conventional doubleheader will not be considered a practical alternative.

The Association shall have the exclusive right to approve the additional rescheduling of postponed games as split doubleheaders in circumstances that are not automatically permitted by subparagraph (a) or (b) above.

(2) One-day stands will not be scheduled except as "openers" or doubleheaders to be followed by an open day. A game will not be rescheduled as a one-game stand except as required to complete the championship schedule.

(3) During the championship season, no Club shall be scheduled to play an exhibition game other than the Hall of Fame Game. No Club shall be scheduled to play in more than one Hall of Fame Game during the term of this Agreement. For purposes of this paragraph (3), a spring training exhibition game that is scheduled to commence at least three hours before the start of the first championship season game shall not be considered played "during the championship season."

(4) The following shall apply to the scheduling or rescheduling of games prior to day doubleheaders:

(a) a game will not be scheduled to start after 5 P.M. if either Club is scheduled to play a day doubleheader the next day;

(b) a game will not be rescheduled to start after 5 P.M. if either Club is scheduled to play a day doubleheader the next day unless such rescheduling is necessary to complete the championship schedule.

(5) Day games shall not be scheduled or (unless necessary to complete the championship schedule) rescheduled to start before 1 P.M., except as provided in paragraph (6) below, and except that such games may be scheduled or rescheduled to start between Noon and 1 P.M., if each Club meets one of the following two conditions:

(a) if an off-day occurred the previous day; or

(b) if a game were played in the same city within the previous 24 hours.

Day games may be scheduled or rescheduled to start between Noon and 1 P.M. on holidays if each Club meets one of the above conditions or if an afternoon game starting not later than 5 P.M. or a doubleheader starting not later than 1:30 P.M. was played in another city the previous day and the travel time required in-flight is 1½ hours or less.

(6) With the approval of the Commissioner, not more than 4 games per League per year may be scheduled or rescheduled to start between 10:30 A.M. and Noon, if, with respect to both Clubs, the conditions stated in paragraph (5) above with respect to scheduling and rescheduling of day games between Noon and 1 P.M. are met.

(7) No Club shall be scheduled to play a game starting after 5 P.M. if such game is a road game and is followed by a home off-day, unless:

(a) a later game is required to be scheduled pursuant to a national television agreement; or

(b) the road Club is playing at Texas or Florida on or after June 1.

Other getaway games shall not be scheduled or rescheduled to start later than 5 P.M. if either Club is required to travel for a day game, scheduled the next day, between cities in which the in-flight time is more than 1½ hours. Each championship season the Clubs may utilize six exceptions to the rule in the immediately preceding sentence

provided that the exceptions must be utilized by a Club traveling to Chicago to play the Cubs and the in-flight time cannot exceed 2½ hours.

(8) To the extent reasonably practicable, open days shall be non-travel days, except as permitted in paragraph (9), below.

(9) An open day shall be scheduled for or following travel from cities in the Pacific time zone to cities in the Eastern time zone except that the Commissioner may schedule not more than seven (7) games per championship season in each League with a starting time after 7 P.M. in the Eastern time zone which include a Club that the day before played a game scheduled to start prior to 5 P.M. in the Pacific time zone. In any championship season, however, no Club may be scheduled to play more than one (1) game in the Eastern time zone the day after it has played a game in the Pacific time zone.

(10) No Club shall be scheduled, or rescheduled if practicable, to play more than 20 consecutive dates without an open day, or 21 consecutive dates if necessary to accommodate the Hall of Fame Game. A rained-out game may be rescheduled to an open date in the same series, or to an open date at the end of the same series, if (a) the open date is a road off-day for the visiting Club, and (b) the rescheduling does not result in the home team playing more than 24 consecutive dates without an open day, or 25 consecutive dates if necessary to accommodate the Hall of Fame Game.

(11) Commencing with its second scheduled championship season game, a Club shall not be scheduled for more than two open days in any seven-day period.

(12) Home games which are scheduled or rescheduled away from the park of the home Club shall be considered road games for the purposes of Players' meal and tip allowances, hotel accommodations and transportation.

(13) Doubleheaders shall not be scheduled on consecutive dates in the original schedule.

(14) Twi-night doubleheaders will be limited in the original schedule to three per home Club per season. A twi-night doubleheader will not be scheduled on a getaway day.

(15) Only postponed, suspended and tied games shall be rescheduled, except as may be required to accommodate network television commitments or to comply with stadium leases, in any of which events the rescheduling rules set forth in this Article V shall apply; provided, however, that any game may be rescheduled for any reason if as rescheduled it conforms to the rules governing the original schedule.

(16) Club championship season games shall not be played during the All-Star break. Further, any workout scheduled by a Club for the day following the All-Star Game shall be voluntary.

(17) With respect to the rescheduling of any game, except for games rescheduled as split doubleheaders as set forth in Section C(1), any scheduling or rescheduling rule set forth in this Article V may be waived by the secret ballot vote of a majority of the Players on the Club(s) that would be in violation of the rule. Separate votes shall be required with regard to each game for which a waiver is sought. A waiver granted pursuant to this provision, as well as a waiver granted by the Association pursuant to Section C(1), shall not constitute a precedent with regard to future waiver requests. With respect to the rescheduling of any such game, and all games rescheduled pursuant to Section C(1), the Club(s) shall consult with the Association concerning the actual date and time of such rescheduled game. The Club(s) shall use best efforts to notify the Association in advance of notifying the Players on the Club(s) affected.

D. Interleague Play

Each Club may be scheduled to play up to 18 Interleague games during each championship season. In each Interleague game at an American League park, the Designated Hitter shall be used; at each Interleague game at a National League park, the Designated Hitter shall not be used.

ARTICLE VI—Salaries

Individual Player salaries shall be those as agreed upon between a Player and a Club, as evidenced by the execution of a Uniform Player's Contract, subject to the following:

A. Definition of Salary

The term "salary" for the purposes of interpretation and application of the maximum salary cut, contract tender, signing and renewal rules shall be determined by applying the following principles:

(1) *Multi-year contract providing for current salary only (no up-front payment or deferred compensation)*

(a) If the annual salary payment schedule *satisfies* the maximum salary cut rule, the salary specified for the last year of the contract shall be the base for applying the maximum salary cut rule to the year following the expiration of the contract.

(b) If the annual salary payment schedule *does not satisfy* the maximum salary cut rule, that rule shall not be applicable during the term of the contract and the aggregate salary payment provided by the contract shall be averaged and the average annual salary shall be the base for applying the maximum salary cut rule to the year following the contract's expiration.

(2) *Multi-year contract including up-front payments and/or deferred compensation which are specifically allocated to one or more years of the contract*

Treat as in (1) above with the allocated up-front or deferred amounts included as specified as part of the salary for each year.

(3) *Multi-year contract including up-front payments and/or deferred compensation which are not specifically allocated to certain years of the contract*

Average the aggregate of such payments, include the annual average as part of the salary for each year, and then treat as in (1) above.

(4) *Deferred Compensation*

If any deferred compensation is included in the base determined as described above, it may be payable as deferred on the same terms, or the Club and Player may elect to substitute the discounted present value of such deferred amount.

(5) *Performance Bonuses*

Regardless of whether or not any portion of a performance bonus is earned, the Club has the option of either: (a) including the entire bonus (both earned and unearned portions) in the salary base or (b) excluding it from the base but repeating the performance bonus on the same terms.

(6) *Other Forms of Additional Compensation*

All other forms of compensation, including but not limited to the following, are not addressed herein and are to be determined according to the facts in each situation:

(a) payments for performing services for a Club in addition to skilled services as a baseball player;

(b) cash, lump sum, payments made in accordance with agreed upon special covenants to compensate for trading a Player, releasing a Player, etc.;

(c) the value of individual property rights granted to a Player by a Club;

(d) any compensation for post-active Major League Baseball playing career employment;

(e) other payments not specifically made for performance as a Major League Baseball Player;

provided that any amounts payable upon the occurrence of a specific event or events shall not be included in the definition of "salary" if such event or events fail to occur within the specified period.

(7) *Disputes*

In the event of a dispute regarding a contract tender, signing or renewal with respect to any form of additional compensation referred to in paragraph (6) above, either the Player or Club may file a Grievance in order to obtain a determination with respect thereto as the exclusive means of resolving such dispute, and both parties shall be bound by the resulting decision. The contract tender, signing or renewal shall be altered as necessary to conform

to the decision, and such tender, signing or renewal shall remain valid.

B. Minimum Salary

(1) The minimum rate of payment to a Player for each day of service on a Major League Club shall be as follows:

2003—at the rate per season of \$300,000;

2004—at the rate per season of \$300,000;

2005—at the rate per season of \$300,000 plus a cost of living adjustment, rounded to the nearest \$500, provided that the cost of living adjustment shall not reduce the minimum salary below \$300,000;

2006—at the 2005 rate per season plus a cost of living adjustment, rounded to the nearest \$500, provided that the cost of living adjustment shall not reduce the minimum salary below the 2005 rate per season.

(2) For all Players (a) signing a second Major League contract (not covering the same season as any such Player's initial Major League contract) or a subsequent Major League contract, or (b) having at least one day of Major League service, the minimum salary shall be as follows:

(i) for Major League service—at a rate not less than the Major League minimum salary;

(ii) for Minor League service—at a rate not less than the following:

2003—at the rate per season of \$50,000;

2004—at the rate per season of \$50,000;

2005—at the rate per season of \$50,000 plus a cost of living adjustment, rounded to the nearest \$100, provided that the cost of living adjustment shall not reduce the minimum salary below \$50,000;

2006—at the 2005 rate per season plus a cost of living adjustment, rounded to the nearest \$100, provided that the cost

of living adjustment shall not reduce the minimum salary below the 2005 rate per season.

(3) (a) Cost of living adjustments for the Major League minimum salary described above in paragraph (1) shall be computed as follows:

(i) to determine the 2005 salary rate, \$300,000 shall be multiplied by a fraction, the numerator of which is the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics (CPIW) for November 2004 and the denominator of which is the CPIW for November 2002;

(ii) to determine the 2006 salary rate, the adjusted salary rate for 2005 shall be multiplied by a fraction, the numerator of which is the CPIW for November 2005 and the denominator of which is the CPIW for November 2004.

(b) Cost of living adjustments for the split minimum salary for Minor League service described above in paragraph (2) shall be computed as follows:

(i) to determine the 2005 salary rate, \$50,000 shall be multiplied by a fraction, the numerator of which is the CPIW for November 2004 and the denominator of which is the CPIW for November 2002;

(ii) to determine the 2006 salary rate, the adjusted salary rate for 2005 shall be multiplied by a fraction, the numerator of which is the CPIW for November 2005 and the denominator of which is the CPIW for November 2004.

C. Standard Length of Season

For the purpose of calculating a Player's daily rate of pay, a championship season shall be deemed to commence on the date of the first regularly scheduled championship season game and to conclude on the date of the last regularly scheduled championship season game. This rule shall apply uniformly to all Players and all Clubs, notwithstanding differences in a particular Club's schedule, except as provided otherwise by Article V(A) and Article XV(J)(6).

D. Maximum Salary Reduction

(1) No Player's contract shall be renewed pursuant to paragraph 10(a) of the Uniform Player's Contract in any year for a salary which constitutes a reduction in excess of 20% of his previous year's salary or in excess of 30% of his salary two years previous. For the purposes of this section, the "salary" of a Player with a salary stipulated in paragraph 2 of his Major League contract of less than the then applicable Major League minimum salary shall be deemed to be the greater of either (a) the total amount of his actual baseball salary earnings from Major League Clubs (and from Minor League clubs if any) in that season or (b) the amount stipulated in paragraph 2 of his Major League contract for that season.

(2) The term "salary" shall include any salary amounts which were not paid to a Player for the season by reason of any fine or suspension which may have been imposed on the Player, or by reason of any other deduction from salary.

(3) In tendering a contract to a Player pursuant to paragraph 10(a) of the Uniform Player's Contract, no Major League Club shall offer a salary which constitutes a reduction in excess of 20% of the Player's previous year's salary or in excess of 30% of his salary two years previous.

E. Salary Continuation-Military Encampment

Payment of Player salaries shall be continued throughout any period in which a Player is required to attend a regularly scheduled military encampment of the Reserve of the Armed Forces or of the National Guard during the Club's playing season.

F. Salary Arbitration

The following salary arbitration procedure shall be applicable:

(1) *Eligibility.* The issue of a Player's salary may be submitted to final and binding arbitration by any Player or his Club, provided the other party to the arbitration consents thereto. Any Club, or any Player with a total of three or more years of Major League service, however accumulated, but with less than six years of Major League

service, may submit the issue of the Player's salary to final and binding arbitration without the consent of the other party, subject to the provisions of paragraph (4) below.

In addition, a Player with at least two but less than three years of Major League service shall be eligible for salary arbitration if: (a) he has accumulated at least 86 days of service during the immediately preceding season; and (b) he ranks in the top seventeen percent (17%) (rounded to the nearest whole number) in total service in the class of Players who have at least two but less than three years of Major League service, however accumulated, but with at least 86 days of service accumulated during the immediately preceding season. If two or more Players are tied in ranking, ties shall be broken consecutively based on the number of days of service accumulated in each of the immediately preceding seasons. If the Players remain tied, the final tie breaker will be by lot.

(2) *Trade Demand-Club Consent to Arbitration.* Any Player whose Club has offered to proceed to salary arbitration pursuant to Article XX(C)(5) may elect salary arbitration in the same manner and at the same time as other Players.

(3) *Notice of Submission*

(a) Player Submission. Election of submission shall be communicated by telephone or any other method of communication by the Player to the Association. Written notice of submission shall then be given, within the specified time limits, by the Association on behalf of the Player to the designated representative of the Major League Baseball Labor Relations Department ("LRD").

Within three days after the notice of submission has been given, the Association and the LRD shall exchange salary figures. It shall be the responsibility of the Association during this three-day period to obtain the salary figure from the Player, and the LRD shall have a similar responsibility to obtain the Club's figure.

(b) Club Submission. Written notice of submission by the Club shall be communicated to the Player by registered letter mailed between January 2 and January 12 (both inclusive) to the

last address the Player has supplied to the Club, with copies to the Association and the LRD. The submission shall be deemed to be made on the third day following the date of mailing by the Club. Salary figures shall be exchanged by the Association and the LRD as soon as practicable thereafter.

(c) Special Exceptions to Maximum Salary Reduction Rules

(i) A Club may submit a salary figure for salary arbitration that is at least 80% of the Player's previous year's salary and earned performance bonuses (and at least 70% of his salary and earned performance bonuses two years previous), the provisions of Section A(5) above notwithstanding. This exception shall not be used by any party, or considered by any salary arbitrator, in support of, or in opposition to, any argument regarding the evaluation of Player contracts.

(ii) A Club may submit a salary arbitration figure without regard to the provisions of Section D above if the figure submitted is with respect to a Player who, in the immediately preceding year, won a salary arbitration which increased the Player's prior year's salary by in excess of 50%.

The above exceptions to the maximum salary reduction rules do not alter the obligations of the Clubs to comply with Articles VI(D) and XX(A) of this Agreement and paragraph 10(a) of the Uniform Player's Contract for the purposes of contract tender and renewal.

(4) *Withdrawal from Arbitration.* In the event the Club submits the matter to arbitration, the Player may within 7 days after receipt of the Club's salary arbitration figure notify the Club that he does not wish to arbitrate and the matter shall be deemed withdrawn from arbitration. In such event, or in the event that neither the Club nor the Player submits to arbitration, the rights and obligations of the Club and Player shall be as they would have been had the salary arbitration procedure never been invoked. In the event the Club and Player reach agreement on salary before the arbitration panel reaches a decision, the matter shall be deemed withdrawn from arbitration.

(5) *Timetable and Decision.* Submission may be made at any time between January 5 and January 15. In the event the offer of the Club is reduced on or subsequent to January 15, the Player's right to submit to arbitration shall be reinstated for a period of 7 days. Arbitration hearings shall be held as soon as possible after submission and, to the extent practicable, shall be scheduled to be held from February 1 to February 20. The arbitration panel may render the decision on the day of the hearing, and shall make every effort to do so not later than 24 hours following the close of the hearing. The arbitration panel shall be limited to awarding only one or the other of the two figures submitted. There shall be no opinion. There shall be no release of the arbitration award by the arbitration panel except to the Club, the Player, the Association and the LRD. The panel chair shall initially inform the Association and the LRD of the award only and not how the panel members voted. The panel chair shall disclose to the Association and the LRD the individual votes of the panel members on each March 15 following the February hearings. The panel chair shall insert the figure awarded in paragraph 2 of the duplicate Uniform Player's Contracts delivered at the hearing and shall forward both copies to the Office of the Commissioner.

(6) *Form of Submission.* The Player and the Club shall exchange with each other in advance of the hearing single salary figures for the coming season (which need not be figures offered during the prior negotiations) and then shall submit such figures to the arbitration panel. At the hearing, the Player and Club shall deliver to the arbitration panel a Uniform Player's Contract executed in duplicate, complete except for the salary figure to be inserted in paragraph 2. Upon submission of the salary issue to arbitration by either Player or Club, the Player shall be regarded as a signed Player (unless the Player withdraws from arbitration as provided in paragraph (4) above).

(7) *Selection of Arbitrators.* The Association and the LRD shall annually select the arbitrators. In the event they are unable to agree by January 1 in any year, they jointly shall request that the American Arbitration Association furnish them lists of prominent, professional arbitrators. Upon receipt of such lists, the arbitrators shall be selected by alternately striking names from the lists. All cases shall

be assigned to three-arbitrator panels. The Association and the LRD shall designate one arbitrator to serve as the panel chair.

(8) *Location of Hearings.* The single hearing site for each year will be agreed upon by the parties with preference being given to either Los Angeles, Tampa/Orlando, or Phoenix.

(9) *Conduct of Hearings.* The hearings shall be conducted on a private and confidential basis. Each of the parties to a case shall be limited to one hour for initial presentation and one-half hour for rebuttal and summation. The aforesaid time limitations may be extended by the arbitration panel in the event of lengthy cross-examination of witnesses, or for other good cause.

(10) *Continuances, Adjournments or Postponements.* There shall be no continuances or adjournments of a hearing, but the commencement of a hearing may be postponed by the arbitration panel upon the application of either the Player or Club based upon a showing of substantial cause. Any request for the postponement of a scheduled hearing shall be made to the panel chair in writing, with copies to the Association and the LRD. Disclosure of individual votes by panel members shall be in accordance with paragraph (5) above.

(11) *Hearing Costs.* The Player and Club shall divide equally the costs of the hearing, and each shall be responsible for his own expenses and those of his counsel or other representatives.

(12) *Criteria*

(a) The criteria will be the quality of the Player's contribution to his Club during the past season (including but not limited to his overall performance, special qualities of leadership and public appeal), the length and consistency of his career contribution, the record of the Player's past compensation, comparative baseball salaries (see paragraph (13) below for confidential salary data), the existence of any physical or mental defects on the part of the Player, and the recent performance record of the Club including but not limited to its League standing and attendance as an indication of public acceptance (subject to the exclusion stated in

subparagraph (b)(i) below). Any evidence may be submitted which is relevant to the above criteria, and the arbitration panel shall assign such weight to the evidence as shall appear appropriate under the circumstances. The arbitration panel shall, except for a Player with five or more years of Major League service, give particular attention, for comparative salary purposes, to the contracts of Players with Major League service not exceeding one annual service group above the Player's annual service group. This shall not limit the ability of a Player or his representative, because of special accomplishment, to argue the equal relevance of salaries of Players without regard to service, and the arbitration panel shall give whatever weight to such argument as is deemed appropriate.

(b) Evidence of the following shall not be admissible:

- (i) The financial position of the Player and the Club;
- (ii) Press comments, testimonials or similar material bearing on the performance of either the Player or the Club, except that recognized annual Player awards for playing excellence shall not be excluded;
- (iii) Offers made by either Player or Club prior to arbitration;
- (iv) The cost to the parties of their representatives, attorneys, etc.;
- (v) Salaries in other sports or occupations.

(13) *Confidential Major League Salary Data.* For its confidential use, as background information, the arbitration panel will be given a tabulation showing the minimum salary in the Major Leagues and salaries for the preceding season of all players on Major League rosters as of August 31, broken down by years of Major League service. The names and Clubs of the Players concerned will appear on the tabulation. In utilizing the salary tabulation, the arbitration panel shall consider the salaries of all comparable Players and not merely the salary of a single Player or group of Players.

(14) *Prohibition Regarding Competitive Balance Tax.* No participant in a salary arbitration shall refer in any fashion, either orally or in writing, to any of the provisions in Article XXIII (Competitive Balance Tax). No salary arbitration panel shall consider in any fashion any of the provisions in Article XXIII (Competitive Balance Tax).

ARTICLE VII—Expenses And Expense Allowances

A. Transportation and Travel Expenses

Each Club shall pay the following expenses of Players:

(1) All proper and necessary traveling expenses of Players while “abroad,” or traveling with the Club in other cities, including board, and first-class jet air and hotel accommodations, if practicable.

Each Club shall give written notice to the team’s Player Representative and the Association, prior to December 1 of each year, of the in-season hotels the Club intends to utilize during the next succeeding season.

On regularly scheduled commercial flights, when first-class accommodations cannot practicably be provided and Players travel in the coach section, the Club shall provide three seats for each two Players and first-class meals.

During the championship season, including travel to the first game of such season, no Club, absent extraordinary circumstances that make travel by plane impossible, may travel by bus between games if the distance between the two cities is, by the most direct highway route, more than 200 miles (one way).

(2) First-class jet air fare and meals en route, of Players to their homes at the end of the season, regardless of where the Club finished its season. If the Club finishes its season “abroad” and appropriate transportation is not provided back to the Club’s home city, any Player who elects to return home via the Club’s home city shall be paid an amount equal to the first-class jet air fare and meals en route back to the Club’s home city plus the first-class jet air fare and meals en route from the Club’s home city to the Player’s home. A Player who has more than one home shall receive payment based on the home to which he actually travels.

(3) All necessary traveling expenses, including first-class jet air fare and meals en route, of Players from their homes to the spring training place of the Club, whether they are ordered to go there directly or by way of the home city of the Club. A Player who has more than one home shall receive payment based on the home from which he actually travels.

(4) In the case of assignment of a Player's contract during the championship season or during spring training, all traveling expenses, including first-class jet air fare and meals en route, of the Player as may be necessary to enable him to report to the assignee Club. The Club shall also reimburse the Player for all travel expenses, including first-class jet air fare and meals en route, for the Player's wife for one assignment during the championship season. Such expenses may not be claimed by the Player as part of his moving expenses under Article VIII(C), unless not paid under this provision. A Club may offset such expenses against any moving allowance provided pursuant to Article VIII(A).

(5) In the case of termination by the Club of a Player's contract during the championship season or during spring training, reasonable traveling expenses, including first-class jet air fare and meals en route, to the Player's home city.

(6) In the event a Player is required to attend a regularly scheduled military encampment of the Reserve of the Armed Forces or of the National Guard during the championship season or during spring training, the Player's air fare to and from the encampment.

B. In-Season Meal and Tip Allowance

(1) During the championship season, each Player shall receive a daily meal and tip allowance for each date a Club is on the road and for each traveling day. No deductions will be made for meals served on an airplane.

(2) If, when a Club departs from the home city, departure is scheduled prior to Noon, Players will receive the full daily allowance for that date; if departure is after Noon, Players will receive one-half of the daily allowance for that date. Returning to the home city, if arrival is later than 6 P.M., Players will receive the

full daily allowance; if arrival is prior to 6 P.M., Players will receive one-half of the daily allowance. The Club may require the Player to sign checks for meals at a hotel in lieu of the cash meal allowance.

(3) During the 2003 championship season, the daily allowance shall be \$76.50. During the 2004, 2005 and 2006 championship seasons, the daily allowance shall be a base of \$76.50 plus a cost of living adjustment rounded to the nearest \$.50, provided, however, that the cost of living adjustment shall not reduce the daily allowance below \$76.50.

(4) Cost of living adjustments shall be computed as follows.

(a) To determine the allowance figure effective for the 2004 season, the 2003 base allowance figure provided by this Agreement shall be multiplied by a fraction, the numerator of which is the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPIW) published by the Bureau of Labor Statistics for November 2003 and the denominator of which is the CPIW for November 2002.

(b) To determine the allowance figure effective for the 2005 season, the allowance figure for the 2004 season, as adjusted, shall be multiplied by a fraction, the numerator of which is the CPIW for November 2004 and the denominator of which is the CPIW for November 2003.

(c) To determine the allowance figure effective for the 2006 season, the allowance figure for the 2005 season, as adjusted, shall be multiplied by a fraction, the numerator of which is the CPIW for November 2005 and the denominator of which is the CPIW for November 2004.

(5) A disabled Player who is not traveling with his Club on the road shall receive:

(a) the full allowance if he is residing at a hotel or motel in either the metropolitan area of the Club, or one to which the Player has gone at the request of the Club;

(b) no allowance if he is residing at his in-season residence or permanent residence in the metropolitan area of the Club, which residence is not a hotel or motel; and

(c) no allowance if he is in a hospital or is residing at his permanent residence located outside the metropolitan area of the Club.

(6) To the maximum extent possible, each Club shall provide the daily allowance pursuant to an accountable plan whereby to the maximum extent possible the daily allowance will be excluded from a Player's gross income.

C. Spring Training Allowances

(1) During the 2003 spring training season, the weekly allowance shall be \$240.50 and the supplemental weekly allowance shall be \$43.00. In 2004, 2005 and 2006 there shall be added to both allowances a cost of living adjustment rounded to the nearest \$.50, provided, however, that the cost of living adjustment shall not reduce the weekly allowances below \$240.50 and \$43.00, respectively.

(2) A Player living away from the Club's spring training headquarters shall receive the following daily meal and tip allowance (except that Players who make an overnight trip shall receive for the day following the night on the road the daily championship season meal and tip allowance in lieu of the daily allowance provided in this paragraph). No deduction shall be made for lunch or sandwiches served at the ballpark. In 2003, the daily allowance shall be \$68.00. In 2004, 2005 and 2006, there shall be added to the daily allowance a cost of living adjustment rounded to the nearest \$.50, provided, however, that the cost of living adjustment shall not reduce the daily allowance below \$68.00.

Players living at the Club's spring training headquarters also shall receive the daily meal and tip allowance if the Club does not otherwise provide meals. Except where the Club owns facilities (such as Los Angeles), no Player shall be required to sign meal checks or take his meals in lieu of receiving the daily meal and tip allowance.

A Player whose Major League Uniform Player's Contract has been optionally assigned but who is in uniform for a Major League spring training game shall receive the daily allowance for each such game.

(3) A Player living away from the Club's spring training headquarters shall receive a room allowance of \$25.00 per day. Where the Club owns facilities which are considered the equivalent of first-class hotel accommodations (such as Los Angeles), the Club shall pay a daily room allowance of \$15.00.

(4) Cost of living adjustments shall be computed as set forth in Section B(4) above.

(5) To the maximum extent possible, each Club shall provide spring training allowances pursuant to an accountable plan whereby to the maximum extent possible such allowances will be excluded from a Player's gross income.

D. Single Rooms on the Road

Each Player on a Club's Active List (including disabled Players who travel with the Club) shall have single rooms in the Club's hotels on all road trips during the Club's championship season and post-season. Nothing herein shall prohibit the Clubs from making or continuing agreements with individual Players which provide more favorable arrangements for such Players.

E. All-Star Game

A Player who is a member of his League's All-Star team shall, in addition to being reimbursed in accordance with past practice, be reimbursed by the Office of the Commissioner for the first-class jet air fare to and from the site of the All-Star Game for one guest from the guest's place of residence, and for hotel accommodations for a maximum of three days for such guest.

F. In-Season Supplemental Allowances

(1) A Player shall be entitled to receive the "in-season supplemental allowance" provided by this Section F if:

(a) his contract is assigned by a Minor League club to a Major League Club,

(b) he had no Major League service (or his entire Major League service is only after the preceding August 31) and is on a Major League Club's opening day roster, or

(c) his contract is assigned by a Major League Club to another Major League Club during the championship season or after the sixteenth day prior to the start of the championship season.

(2) A Player entitled to receive the in-season supplemental allowance shall be treated by the assignee Club as if he were on the road for each of the first seven days of the assignment in the assignee Club's home city, to include the assignee Club providing the Player with first-class hotel accommodations and the full daily meal and tip allowance described in paragraphs (3) and (4) of Section B for this period. If this entitlement arises under paragraph (1)(a) or (b) above, first-class hotel accommodations shall be provided at the Club's expense or an allowance for housing expenses, not to exceed the first-class hotel accommodations rate, shall be provided to the Player in advance on a daily basis, as long as the Player incurs actual housing expenses.

(3) This in-season supplemental allowance shall be provided automatically to such a Player in advance (a) at the time of the assignment for assignments between Major League Clubs, and (b) on a daily basis if the entitlement arises under paragraph 1(a) or (b) above.

(4) This Section F shall apply to each such assignment made during a championship season. For a covered assignment from a Minor League club to a Major League Club made during the off-season, the Player shall be entitled to the benefits provided by this Section F only for the days he serves on a Major League Club's active roster before his contract is reassigned to a Minor League club.

ARTICLE VIII—Moving Allowances

A. If a Player's contract is assigned by a Major League Club to another Major League Club during the championship season, the assignee Club shall pay the Player, for all moving and other expenses resulting from such assignment, the sum of \$850 if the distance between the

home ballparks of the assignor and assignee Clubs is 1,000 air miles or less; the sum of \$1,150 if the distance between the home ballparks of the assignor and assignee Clubs is greater than 1,000 but less than 2,000 air miles; and the sum of \$1,450 if the distance between the home ballparks of the assignor and assignee Clubs is equal to or greater than 2,000 air miles.

This allowance will be paid to the Player automatically at the time of the assignment.

This advance payment will be credited against the reimbursement for reasonable and actual moving expenses should the Player elect to claim such expenses in accordance with the provisions of Section C below.

B. If a Player is assigned to another Major League Club located within 50 miles of the assignor Club's home city, the Player shall not receive any moving allowance under Section A above, subject to the following exception. If a Player is assigned to another Major League Club and moves from a residence located further than 25 miles from the assignee Club's home ballpark to a residence located closer to, and within 50 miles of, such ballpark, the Player shall receive the moving allowance in accordance with Section A above.

C. A Player may elect, within two years after the date of the assignment of his contract, regardless of when his contract is assigned or whether the assignment is between Major League Clubs or a Major League Club and a Minor League club, to be reimbursed for (1) the reasonable and actual moving expenses of the Player and his immediate family resulting therefrom, including first-class jet air transportation for the Player and his immediate family, provided that, if the Player relocates more than one year from the date of the assignment, the Player must relocate in the assignee Club's home city and the Player must still be playing for the assignee Club at the time he incurs such expenses and (2) all rental payments for living quarters in the city from which he is transferred (and/or spring training location, if applicable), for which he is legally obligated after the date of assignment and for which he is not otherwise reimbursed. Such rental payments shall not include any period beyond the end of a season or prior to the start of spring training. The Club paying reimbursement for rent shall have use and/or the right to rent such living quarters for the period covered by the rental reimbursement.

In the event a Player is required to report to a Major League Club from a Minor League club in any year on or after September 1, the foregoing paragraph shall not apply.

Reimbursement shall be made by the assignee Club, except, should a Player's Contract be assigned from a Major League Club to a Minor League club, reimbursement shall be made by the assignor Major League Club.

ARTICLE IX—Termination Pay

A. Off-Season

A Player who is tendered a Uniform Player's Contract which is subsequently terminated by a Club during the period between the end of the championship season and the beginning of the next succeeding spring training under paragraph 7(b)(2) of the Uniform Player's Contract for failure to exhibit sufficient skill or competitive ability shall be entitled to receive termination pay from the Club in an amount equal to thirty (30) days' payment at the rate stipulated in paragraph 2 of (1) his Contract for the next succeeding championship season, or (2) if he has no contract for the next succeeding championship season, in an amount equal to thirty (30) days' payment at the rate stipulated in paragraph 2 of the Contract tendered to him by his Club for the next succeeding championship season.

B. Spring Training

A Player whose Contract is terminated by a Club under paragraph 7(b)(2) of the Uniform Player's Contract for failure to exhibit sufficient skill or competitive ability shall be entitled to receive termination pay from the Club in an amount equal to thirty (30) days' payment at the rate stipulated in paragraph 2 of his Contract, if the termination occurs during spring training but on or before the 16th day prior to the start of the championship season. If the termination occurs during spring training, but subsequent to the 16th day prior to the start of the championship season, the Player's termination pay shall be in an amount equal to forty-five (45) days' payment at the rate stipulated in paragraph 2 of his Contract.

C. In-Season

A Player whose Contract is terminated by a Club during the championship season under paragraph 7(b)(2) of the Uniform Player's Contract for failure to exhibit sufficient skill or competitive ability shall be entitled to receive termination pay from the Club in an amount equal to the unpaid balance of the full salary stipulated in paragraph 2 of his Contract for that season.

D. Split Contracts

In the case of a Player who signs a Major League Contract which sets forth a separate rate of pay for Minor League service, the rate of pay to be utilized in calculating termination pay under the preceding Sections A, B and C shall be:

(1) The Minor League rate, if the termination occurs in the off-season;

(2) The Minor League rate, if the termination occurs during spring training, but on or before the 16th day prior to the start of the championship season;

(3) The Major League rate, if the termination occurs during spring training, but subsequent to the 16th day prior to the start of the championship season;

(4) The Minor League rate, if the termination occurs during the season and the Player is, at the time of termination, in the Minor Leagues; and the Major League rate, if the termination occurs during the season and the Player is, at the time of termination, in the Major Leagues. In the application of this paragraph (4), a Player's Contract may not be assigned to the Minor Leagues for the purpose of reducing the Player's termination pay.

Notwithstanding the above, a Player whose Contract is not assignable to the Minor Leagues without his consent, or a Player selected by a Major League Club in the immediately preceding Rule 5 draft, shall be entitled to receive termination pay at the Major League rate unless terminated during the championship season at a time when his Contract is under assignment to the Minor Leagues.

E. Injury

If a Player's Contract is terminated by a Club by reason of the Player's failure to render his services due to a disability resulting directly from injury sustained in the course and within the scope of his employment under the Contract, and notice is received by the Club in accordance with Regulation 2 of the Uniform Player's Contract, the Player shall be entitled to receive from the Club the unpaid balance of the full salary for the year in which the injury was sustained, less all workers' compensation payments received by the Player as compensation for loss of income for the specific period for which the Club is compensating him in full.

F. Non-Duplication

The foregoing provisions of this Article IX shall be applied regardless of the number of times a Player may be released during a year, subject to the following limitations:

(1) The maximum amount of termination pay which a Player shall be entitled to receive for any year shall not exceed the amount by which:

(a) the salary stipulated in the Player's original Contract for such year exceeds

(b) the aggregate amount which the Player earns during that year from any Club or Clubs, including any amounts deferred to later years, calculated at present value, and bonuses.

(2) In the event a released Player refuses to accept a reasonable Major League Contract offered by a Club other than the Club which released him, such Player shall forfeit that portion of the termination pay which would not have been payable if such Contract had been accepted.

**ARTICLE X—World Series, League Championship Series
and Division Series Players' Pool**

A. Creation of Pool

One Players' pool shall be created from the World Series, the two League Championship Series and the four Division Series. Contributions shall be made into the pool as follows:

- (1) 60% of the total gate receipts from the first 4 World Series games;
- (2) 60% of the total gate receipts from the first 4 games of each League Championship Series; and
- (3) 60% of the total gate receipts from the first 3 games (4 if the Division Series is expanded to the best of 7 games) of each Division Series.

B. Distribution of Pool

The Players' pool shall be distributed to the Players, by Club, as follows:

World Series Winner	36%
World Series Loser.....	24%
League Championship Series Losers (2).....	24%
Division Series Losers (4).....	12%
Non-Wild Card Second Place Teams (4).....	4%

Distribution of the Players' pool shall be made to the Players within 30 days after the completion of the World Series, unless for good cause the Parties agree to extend the period.

C. Division of Players' Pool

The division of the Players' pool shall be made by a vote of the Players, in a meeting chaired by the Player Representative, at which attendance shall be limited to Players, except that the field manager, prior to being excused from such meeting, shall be given first the opportunity to express his views as to the division of the pool. At the invitation

of the Player Representative, the field manager may be present during the remainder of the meeting, or any part thereof. The vote of the Players shall not be subject to alteration, except as may be required to conform to the Major League Rules.

Non-uniformed personnel of a Club shall not be eligible to receive a percentage share of the Players' pool, but shall be eligible to receive cash awards of defined dollar value, provided that no cash award may exceed the value of a full share.

D. Guarantee of Pool

(1) To the extent, if any, that the Players' pool provides a total of less than \$2,416,450 for the World Series winner, the amount to be distributed to such winner shall be increased to \$2,416,450. To the extent, if any, that the Players' pool provides a total of less than \$1,611,000 for the World Series loser, the amount to be distributed to such loser shall be increased to \$1,611,000.

(2) To the extent, if any, that the Players' pool provides a total of less than \$1,611,000 for both League Championship Series losers (\$850,500 each), the amount to be distributed to such losers shall be increased to \$1,611,000 (\$850,500 each).

(3) To the extent, if any, that the Players' pool provides a total of less than \$644,400 for the Division Series losers, the total amount to be distributed to such Division Series losers shall be increased to \$644,400.

(4) To the extent, if any, that the Players' pool provides a total of less than \$161,100 for the non-Wild Card second place teams in each division, the total amount to be distributed to such non-Wild Card second place teams shall be increased to \$161,100.

(5) If, during the term of this Agreement, the Clubs raise World Series ticket prices, the guarantees set forth in the above paragraphs (1), (2), (3) and (4) shall be increased a pro rata amount, such amount established by averaging the percentage increase of a box seat ticket and the percentage increase of a reserved seat ticket and increasing each guarantee by such percentage.

ARTICLE XI—Grievance Procedure

For the purpose of providing an orderly and expeditious procedure for the handling and resolving of certain grievances and complaints, as hereinafter provided, the following shall apply as the exclusive remedy of the Parties.

A. Definitions

As used herein, the following terms shall have the meanings indicated:

(1) (a) "Grievance" shall mean a complaint which involves the existence or interpretation of, or compliance with, any agreement, or any provision of any agreement, between the Association and the Clubs or any of them, or between a Player and a Club, except that disputes relating to the following agreements between the Association and the Clubs shall not be subject to the Grievance Procedure set forth herein:

- (i) The Major League Baseball Players Benefit Plan;
- (ii) The Agreement Re Major League Baseball Players Benefit Plan;
- (iii) The Agreement regarding dues check-off.

Any procedures or remedies available to the Parties for the resolution of disputes arising under said agreements which were available as of their respective execution dates shall continue to be available and not be altered or abridged in any way as a result of this Basic Agreement between the Association and the Clubs.

(b) Notwithstanding the definition of "Grievance" set forth in subparagraph (a) above, "Grievance" shall not mean a complaint which involves action taken with respect to a Player or Players by the Commissioner involving the preservation of the integrity of, or the maintenance of public confidence in, the game of baseball. Within 30 days of the date of the action taken, such complaint shall be presented to the Commissioner who promptly shall conduct a hearing in accordance with the Rules of Procedure attached hereto as Appendix A. The Commissioner shall render a written decision as soon as practicable following the conclusion of such hearing. The Commissioner's decision shall constitute

full, final and complete disposition of such complaint, and shall have the same effect as a Grievance decision of the Arbitration Panel. In the event a matter filed as a Grievance in accordance with the procedure hereinafter provided in Section B gives rise to issues involving the integrity of, or public confidence in, the game of baseball, the Commissioner may, at any stage of its processing, order that the matter be withdrawn from such procedure and thereafter be processed in accordance with the procedure provided above in this subparagraph (b). The order of the Commissioner withdrawing such matter shall constitute a final determination of the procedure to be followed for the exclusive and complete disposition of such matter, and such order shall have the same effect as a Grievance decision of the Arbitration Panel. (See also Attachment 2.)

The Association may reopen this Agreement, with reference solely to Section A(1)(b) and Section C of this Article, upon the giving of 10 days' written notice at any time, based upon experience under the aforesaid Sections which, in its opinion, is unsatisfactory.

Any reopening notice served by the Association, in accordance with the foregoing, will be based only on actual experience with the operation of such Sections in the processing of grievances or complaints and such reopening cannot occur unless there is actual experience under such Sections.

Also, in the event that the incumbent Vice President, On-Field Operations or the incumbent President and Chief Operating Officer leaves that Office, the Association may reopen this Agreement, with reference solely to Section C of this Article as it affects the role of the Vice President, On-Field Operations or the President and Chief Operating Officer, upon the giving of 10 days' written notice.

(c) Notwithstanding the definition of "Grievance" set forth in subparagraph (a) above, "Grievance" shall not mean a complaint or dispute which involves the interpretation or application of, or compliance with the provisions of the first sentence of paragraph 3(c) of the Uniform Player's Contract. However, nothing herein shall alter or abridge the rights of the Parties, or any of them, to

resort to a court of law for the resolution of such complaint or dispute.

Anything in the Grievance Procedure provided for in the Basic Agreement to the contrary notwithstanding, complaints or disputes as to any rights of the Players or the Clubs with respect to the sale or proceeds of sale of radio or television broadcasting rights in any baseball games by any kind or method of transmission, dissemination or reception shall not be subject to said Grievance Procedure. However, nothing herein or in the Grievance Procedure shall alter or abridge the rights of the Parties, or any of them, to resort to a court of law for the resolution of such complaint or dispute.

The reference herein to the above types of complaints or disputes shall not be deemed to define exclusively the types of complaints or disputes which are not subject to said Grievance Procedure.

(2) "League" shall mean The American League of Professional Baseball Clubs or The National League of Professional Baseball Clubs.

(3) "Commissioner" shall mean the person holding the office of Commissioner of Baseball as defined in the Major League Constitution.

(4) "Player" or "Players" shall mean a Player or Players on the active roster of a Major League Club or on a disabled, restricted, disqualified, ineligible, suspended or military list of a Major League Club. The term "Player" shall also include a former Player or Players who have a grievance or complaint arising by reason of their former status as a Player as defined in the preceding sentence.

(5) "Club" or "Clubs" shall mean a Club or Clubs with membership in a League.

(6) "Association" shall mean the Major League Baseball Players Association.

(7) "Labor Relations Department" or "LRD" shall mean the Major League Baseball Labor Relations Department established by the Clubs or any department of the Commissioner's Office which assumes on behalf of the Commissioner the responsibilities formerly held by the Major League Baseball Player Relations Committee.

(8) "Grievant" shall mean a party who initiates or appeals a Grievance.

(9) "Arbitration Panel" shall mean the impartial arbitrator or, where either Party so elects, a tripartite panel so empowered and composed of the impartial arbitrator and two party arbitrators, one appointed by the Association, the other appointed by the LRD. The impartial arbitrator, who shall in all instances be designated as the Panel Chairman, shall be appointed by agreement of the Association and the LRD. In the event the Association and the LRD are unable to agree upon the appointment of the impartial arbitrator, they jointly shall request that the American Arbitration Association furnish them a list of prominent, professional arbitrators. Upon receipt of said list, they shall alternate in striking names from the list until only one remains. The arbitrator whose name remains shall be deemed appointed as the impartial arbitrator.

At any time during the term of this Agreement either the Association or the LRD may terminate the appointment of the impartial arbitrator by serving written notice upon him and the other Party; provided that no such termination shall in any way impair the authority of the impartial arbitrator to render awards with respect to matters fully submitted to him. Within 30 days of any such termination, the Association and LRD shall either agree upon a successor impartial arbitrator or select a successor from an American Arbitration Association list, as set forth above.

Decisions of the Arbitration Panel shall be made by the impartial arbitrator or, where the panel is tripartite, by majority vote.

B. Procedure

Step 1. Any Player who believes that he has a justifiable Grievance shall first discuss the matter with a representative of his Club designated to handle such matters, in an attempt to settle it. If the matter is not resolved as a result of such discussions, a written notice of the Grievance shall be presented to the Club's designated representative, provided, however, that for a Grievance to be considered beyond Step 1, such written notice shall be presented within (a) 45 days from the date of the occurrence upon which the Grievance is based, or (b) 45 days from the date on which the facts of the matter became known or

reasonably should have become known to the Player, whichever is later. Within 10 days following receipt of such written notice (within 2 days if disciplinary suspension or a grievance involving Player safety and health), the Club's designated representative shall advise the Player in writing of his decision and shall furnish a copy to the Association. If the decision of the Club is not appealed further within 15 days of its receipt, the Grievance shall be considered settled on the basis of that decision and shall not be eligible for further appeal.

Step 2. A Grievance, to be considered in Step 2, shall be appealed in writing by the Grievant or by the Association to a designated representative of the LRD within 15 days following receipt of the Club's written decision. The Grievance shall be discussed within 10 days thereafter (within 2 days if disciplinary suspension or a grievance involving Player safety and health) between representatives of the LRD and representatives of the Association in an attempt to settle it. Within 10 days following such discussion (within 2 days if disciplinary suspension or a grievance involving Player safety and health), the designated representative of the LRD shall advise the Grievant in writing of his decision and shall furnish a copy to the Association. If the decision of the LRD representative is not appealed further within 15 days of its receipt, the Grievance shall be considered settled on the basis of that decision and shall not be eligible for further appeal.

Grievances which involve (a) more than one Club, or (b) a Player who is not under contract to a Club which is party to the Grievance, may be filed initially in Step 2, provided that written notice of the Grievance shall be presented to the designated representative of the LRD within (a) 30 days from the date of the occurrence upon which the Grievance is based, or (b) 30 days from the date on which the facts of the matter became known or reasonably should have become known to the Player, whichever is later.

In a Grievance alleging that the assignment of a Player to a Minor League club was in violation of Article XIX(C)(1), any party to the Grievance may request the appointment of a "Medical Expert," according to the following procedures.

Within 20 days of receipt of the Notice of Grievance, the Office of the Commissioner shall provide to the Association all medical records related to the Grievance (and not previously provided to the Associa-

tion) and any other documents properly requested by the Association. Within 10 days after receipt of those records, the Grievant may request appointment of a Medical Expert. (If the Grievance was filed at Step 1, that date shall be the deadline for an appeal to Step 2.) If the Grievant does not so request, the Club may request appointment of a Medical Expert within 15 days after supplying the medical records.

If neither party requests appointment of a Medical Expert, the parties shall proceed under normal procedures to the Step 2 meeting.

In the event of a proper request, within 10 days the parties shall appoint a Medical Expert, either by agreement or by randomly (and blindly) selecting seven specialists in the area of the Player's alleged injury from the second medical opinion list contemplated by Article XIII(D), and then alternately striking names from the list until only one name remains. As a condition of his appointment, the selected Medical Expert must agree to testify at the arbitration of the Grievance if called by a party. Should that physician decline to serve as Medical Expert, the appointment process shall be repeated from the beginning, with the declining physician's name being removed from the pool of specialists from which the list of seven is selected.

Within 10 days of the appointment of a Medical Expert, the parties shall arrange to submit to that physician (i) a list of medical questions for the physician to attempt to answer and (ii) all pertinent medical records and any other documents that either party believes are relevant to the submitted questions. The Medical Expert may request additional documentary information and/or a physical examination (but not an interview) of the Grievant. Within 30 days from receipt of the parties' final submission (including the physical examination of the Grievant, if requested), the Medical Expert shall issue a written report to the parties. The Medical Expert may inform the parties, if no other finding is appropriate, that he is unable to provide an answer to a question(s) before him with a reasonable degree of medical certainty. The Medical Expert, in his discretion, may request a meeting with the parties, by teleconference or in-person, either before issuance of the Medical Expert's written report or within 10 days thereof.

Within 10 days of receipt of the report (or of the meeting with the Medical Expert, if later), the parties shall hold a Step 2 meeting.

If the Grievance proceeds to arbitration, the Medical Expert's written report shall be admissible in the arbitration; provided, however, that the Arbitration Panel shall give the report such weight as it deems appropriate and in no event shall the Medical Expert's opinion be deemed dispositive of the Grievance.

All costs associated with retention of a Medical Expert, including fees and expenses, shall be borne equally by the Association and the Office of the Commissioner.

Arbitration. Within 15 days following receipt of the Step 2 decision, the Grievant or the Association may appeal the Grievance in writing to the Panel Chairman for impartial arbitration. Upon receipt of the notice of appeal, the Chairman of the Arbitration Panel shall set a time, date and place for hearing the appeal, which hearing shall be commenced as soon as practicable but no later than 20 days following receipt of the notice of appeal (5 days if disciplinary suspension or a grievance involving Player safety and health). Such hearing shall be conducted in accordance with the Rules of Procedure attached hereto as Appendix A. The Arbitration Panel shall render a written decision as soon as practicable following the conclusion of such hearing (within 5 days if disciplinary suspension or a grievance involving Player safety and health), and may affirm, modify or reverse the decision from which the appeal is taken. The decision of the Arbitration Panel shall constitute full, final and complete disposition of the Grievance appealed to it.

With regard to the arbitration of Grievances, the Arbitration Panel shall have jurisdiction and authority only to determine the existence of or compliance with, or to interpret or apply agreements or provisions of agreements between the Association and the Clubs or any of them, or between individual Players and Clubs. The Arbitration Panel shall not have jurisdiction or authority to add to, detract from, or alter in any way the provisions of such agreements.

All costs of arbitration, including the fees and expenses of the impartial arbitrator, shall be borne equally by the parties, provided that each of the parties shall bear the cost of its own party arbitrator, witnesses, counsel and the like.

C. Special Procedure with Regard to Certain Disciplinary Action

Complaints involving a fine or suspension imposed upon a Player by the Vice President, On-Field Operations or the Commissioner for conduct on the playing field or in the ballpark shall be subject exclusively to this Section C as follows:

(1) Any Player who believes that he has a justifiable complaint regarding such discipline may, within 7 days of his receipt of written notification of the discipline, appeal in writing to the President and Chief Operating Officer, if the discipline was imposed by the Vice President, On-Field Operations, or to the Commissioner, if the discipline was imposed by him, for a hearing. Upon receipt of the notice of appeal, the President and Chief Operating Officer or the Commissioner, as the case may be, shall designate a time and place for hearing the appeal, which hearing shall be commenced within 10 days from the date of receipt of the appeal. If the disputed discipline involves a fine equal to or less than \$1,000 and does not involve a suspension, the hearing shall be held by conference call; provided, however, that, if the Player elects, the hearing shall be held in person and in New York if the Player's Club is scheduled to be in New York within thirty days from the date of the appeal, or if the Player makes himself available in New York during that 30-day period. Such hearing shall be conducted in accordance with the Rules of Procedure attached hereto as Appendix A. The President and Chief Operating Officer or the Commissioner, as the case may be, shall render a written decision as soon as practicable following the conclusion of such hearing, and may affirm, modify, or revoke the disciplinary action originally imposed. The decision by the President and Chief Operating Officer or the Commissioner, as the case may be, shall constitute full, final and complete disposition of the complaint and shall have the same effect as a Grievance decision of the Arbitration Panel.

(2) Notwithstanding the provisions of paragraph (1) above, if any such discipline imposed upon a Player by the Vice President, On-Field Operations involves a fine in an amount which exceeds \$5,000 or a suspension exceeding 10 days, any complaint relating thereto shall be appealable from the decision of the President and

Chief Operating Officer to the Commissioner for determination in the same manner and with the same effect as provided in paragraph 1(b) of Section A hereof.

D. Grievances Initiated or Appealed by a Club

Step 1. Any Club which believes it has a justifiable Grievance shall present a written notice of the Grievance to the Player with a copy to the Association, provided, however, that for a Grievance to be considered beyond Step 1, such written notice shall be presented within (a) 45 days from the date of the occurrence upon which the Grievance is based, or (b) 45 days from the date on which the facts of the matter became known or reasonably should have become known to the Club, whichever is later. Within 10 days following receipt of such written notice, the Player shall advise the Club in writing of his decision and shall furnish a copy to the LRD. If the decision of the Player is not appealed further within 15 days of its receipt, the Grievance shall be considered settled on the basis of that decision and shall not be eligible for further appeal.

Step 2. A Grievance, to be considered in Step 2, shall be appealed in writing by the Club or the LRD to the Association within 15 days following receipt of the Player's written decision. The Grievance shall be discussed within 10 days thereafter between representatives of the LRD and representatives of the Association in an attempt to settle it. Within 10 days following such discussion, the Association shall advise the LRD in writing of its decision. If the decision of the Association is not appealed further within 15 days of its receipt, the Grievance shall be considered settled on the basis of that decision and shall not be eligible for further appeal.

Grievances which involve (a) more than one Club, (b) more than one Player, or (c) a Player who is not under contract to a Club which is party to the Grievance, may be filed initially in Step 2, provided that written notice of the Grievance shall be presented to the Association within (a) 30 days from the date of the occurrence upon which the Grievance is based, or (b) 30 days from the date on which the facts of the matter became known or reasonably should have become known to the Club, whichever is later.

Arbitration. Within 15 days following receipt of the Step 2 decision of the Association, the LRD may appeal the Grievance in writing to the Panel Chairman for impartial arbitration. The procedures to be followed in arbitration and the jurisdiction of the Arbitration Panel shall be as set forth in Section B above.

Nothing contained in this Section D shall be deemed to limit or impair the right of any Club to impose discipline upon a Player or Players or to take any other action not inconsistent with the Uniform Player's Contract or any agreement with the Association to which the Club is a Party. Any complaint or dispute which may be a subject for discipline shall not constitute a proper basis for a Club Grievance under this Section D.

E. Grievances Initiated or Appealed by the Association

(1) The Association may on its own motion appeal Grievances or complaints on behalf of a Player or Players as provided in this Grievance Procedure, except that the Association will not appeal a Grievance or complaint involving player discipline without the approval of the Player or Players concerned.

(2) The Association may on its own motion initiate Grievances or complaints on behalf of a Player or Players on all matters not involving player discipline. Nothing herein shall interfere with the right of a Player who initiates a disciplinary Grievance or complaint to be represented by the Association at any Step of the Grievance Procedure.

F. Miscellaneous

(1) Each of the time limits set forth herein may be extended by mutual agreement of the parties involved.

(2) If any Grievance is not processed in accordance with the prescribed time limits in any Step, unless an extension of time has been mutually agreed upon, either party, after notifying the other party of its intent in writing, may appeal to the next Step.

(3) Any decision which is appealable under this Grievance Procedure but which is not appealed within the time allowed or within

any time mutually agreed upon by the parties shall constitute a full, final and complete disposition of the Grievance involved.

(4) In any discussion or hearing provided for in the Grievance Procedure, a Player may be accompanied by a representative of the Association who may participate in such discussion or hearing and represent the Player. In any such discussion or hearing, any other party may be accompanied by a representative who may participate in such discussion or hearing and represent such party.

G. Survival Following Termination of Basic Agreement

Unless eliminated or modified following an impasse in bargaining, Article XI shall remain in full force and effect after termination of this Agreement; provided, however, that disputes arising after the termination of this Agreement related to the legality or validity of unilateral changes of terms and conditions of employment following an impasse in bargaining and any other self-help conduct of the Parties, including but not limited to, unilateral changes in nonmandatory subjects of bargaining, shall not be subject to Article XI.

ARTICLE XII—Discipline

A. Just Cause

The Parties recognize that a Player may be subjected to disciplinary action for just cause by his Club, the Vice President, On-Field Operations or the Commissioner. Therefore, in Grievances regarding discipline, the issue to be resolved shall be whether there has been just cause for the penalty imposed.

If discipline imposed upon a Player is determined to be improper by reason of a final decision under this Grievance Procedure, the Player shall promptly be made whole.

The term "make whole" means:

- (1) if a fine is found to have been imposed improperly, the fine will be promptly repaid;
- (2) any salary loss as a result of an improper suspension will be promptly paid;

(3) in the application of items (1) and (2) above, interest will also be paid at the rate per annum set forth in Article XV(K) below; and

(4) crediting the Player with performance statistics for the purpose of determining whether a performance level contained in any special covenant to his Uniform Player's Contract has been met. Such credit shall be determined by multiplying the Player's relevant average per game statistic while he was on a Club's Active List for the current championship season by the number of games for which the Arbitration Panel determines the Player was improperly suspended and adding that product to the Player's year-end total. Such credit shall not be awarded to a Player for such time that his suspension covers time the Player is on the Disabled List.

B. Notice

Written notice of discipline of a Player (a fine, or suspension, or both) imposed by the Commissioner of Baseball, the Vice President, On-Field Operations, or a Club (except for actions arising from participation in the Winter Leagues) and the reason therefore shall in every case be given to the Player and the Association.

With respect to discipline imposed upon a Player by the Vice President, On-Field Operations or the Commissioner, the Commissioner shall immediately give to the Association notice by mail of fines, and facsimile notice of suspension and of an appeal for a hearing.

C. Discovery

A Player who is disciplined shall have the right to discover, in timely fashion, all documents and evidence adduced during any investigation of the charges involved.

D. Compliance

(1) Nothing contained in this Grievance Procedure shall excuse a Player from prompt compliance with any discipline imposed upon him.

(2) *Payment of Fines*

(a) Club Fines. A fine imposed by a Club pursuant to Regulation 5 of the Uniform Player's Contract in excess of \$1,000 may not be deducted from the Player's salary until such fine is finally upheld in the Grievance Procedure or the time in which to file a Grievance has expired.

(b) Fines Imposed by the Vice President, On-Field Operations or Commissioner. A fine imposed by the Vice President, On-Field Operations or the Commissioner in an amount of \$2,000 or less shall continue to be payable when imposed. Fines in an amount greater than \$2,000 shall be payable only when such fine becomes final. When a fine imposed by the Vice President, On-Field Operations or the Commissioner becomes final, the Player's employing Club is authorized, at the request of the Vice President, On-Field Operations, or the Commissioner in the case of a fine imposed by the Commissioner, to deduct the amount of the fine from the Player's salary and transmit such sum to the Commissioner.

E. Investigations

Except where circumstances require expeditious handling, the Player and the Association shall receive reasonable advance notice of any investigatory interview with a Player. Where circumstances requiring expeditious handling are present, the Player and the Association shall receive as much advance notice as is possible, but in no event shall the Association receive less notice than the Player. All parties recognize the right of the Player to be represented at such interview by the Association and counsel of his choice.

F. Major League Rules 15 and 16

The following time limit provisions set forth in Major League Rules 15 and 16 shall be inapplicable in disciplinary matters:

- (1) the prohibition in Rule 16(a) against reinstatement of a Player on the Restricted, Disqualified and Ineligible Lists in the period August 1 to October 31, inclusive;

(2) the prohibition in Rules 15(c)(1) and 16(c) against application for reinstatement from the Ineligible List until after the lapse of one year from the date of placement on such list; and

(3) the requirement of Rule 16(a) that the Player's Club shall be entitled to 30 days' written notice prior to his reinstatement from the Disqualified or Ineligible Lists, if application for such reinstatement is filed after February 1 of any year.

ARTICLE XIII—Safety and Health

A. Safety and Health Advisory Committee

(1) Safety and Health Advisory Committee

The Parties shall establish and maintain a bipartisan Safety and Health Advisory Committee which shall be comprised of an equal number of members representing the Association and representing the Clubs. The purpose of the Committee shall be

(a) to deal with emergency safety and health problems as they arise, and attempt to find solutions, and

(b) to engage in review of, planning for and maintenance of safe and healthful working conditions for Players.

(2) Committee Meetings

A meeting of the Safety and Health Advisory Committee may be called by any member thereof who believes that an emergency safety and health problem exists and requires immediate attention, and a meeting shall be held as soon as practicable thereafter. In addition, the Committee shall hold at least one regular meeting annually for purposes of review and planning.

(3) Power and Authority of Committee

The Safety and Health Advisory Committee shall make recommendations to the Parties as to the solution of problems and the establishment of policies. The Committee shall use its best efforts to persuade the Parties to adopt the Committee's recommendations. The Committee, however, shall only have advisory authority and it shall not have the power to impose its views or recommendations upon the Parties.

(4) Other Rights and Remedies

Nothing herein shall diminish or interfere with any other rights and remedies the Players or the Association may pursue under the Grievance Procedure of this Agreement or under the procedures established pursuant to the Occupational Safety and Health Act. It is not a necessary prerequisite to utilization of the Grievance Procedure that the Safety and Health Advisory Committee procedures be instituted or exhausted. (See Attachment 4.)

B. Safety Complaints-Responsibility of the Commissioner

Notwithstanding the provisions of Section A, when a safety complaint is made by the Association to the Office of the Commissioner, the Commissioner shall promptly designate a representative to investigate and to attempt to resolve the problem. The Commissioner shall promptly notify the Association of the results of the investigation and of all attempts to resolve the problem.

C. Disabled List

Application by a Club to the Commissioner to place a Player on the Disabled List shall be accompanied by a Standard Form of Diagnosis. (See Attachment 5.) This Standard Form of Diagnosis shall be completed by the Club physician and shall include, as a separate item, an estimated time period for recovery. A copy of the completed Standard Form will be given to the Player and the Association. The Club physician will also complete and submit the Standard Form of Diagnosis for recertification of a Player on the Disabled List at the date when he first becomes eligible for reinstatement to active status and then every fifteen days following the date upon which the Player first became eligible for reinstatement (except for Players placed upon the Emergency Disabled List).

D. Second Medical Opinion

Within 20 days following the execution of this Agreement, the Clubs shall provide an updated, accepted listing of medical specialists, by specialty and by geographic regions, to whom Players may upon their request go for diagnosis and a second medical evaluation of an

employment related illness or injury being treated by the Club physician. At least two physicians shall be designated for each specialty in each region. Further, the Association and the Clubs shall promptly agree on appropriate procedures by which this listing of medical specialists shall be updated annually. A Player may seek a "second evaluation" from a medical specialist on the accepted listing who is located outside of the geographic region within which the Player's Club is located, provided that the Player is not absent from the Club for an unreasonable period of time.

If a Player uses the services of a medical specialist who is on the accepted listing, then the Club shall pay the cost of the "second evaluation," including transportation and hotel costs.

Expenses for "second evaluations" by medical specialists who are not on the accepted listing shall be authorized and paid only by prior mutual agreement between the Player and the Club.

E. Trainers

Each Club shall employ two trainers on a full-time basis. Both trainers will travel with the Club on the road; provided, that one trainer may remain in the Club's home city if necessary for the Club to fulfill its obligations to disabled players who do not travel with the Club.

Individuals newly appointed as trainers shall be certified by the National Athletic Trainers Association (NATA) or the Canadian Athletic Therapists Association (CATA), or shall be physical therapists licensed by an appropriate state authority.

F. Locker Room Equipment

Each visiting locker room shall be equipped with the following equipment, all in good working order, and of a size and capacity adequate for the treatment of professional baseball players: whirlpool, hydroculator, ultrasound machine and examining table.

G. Medical Records

If a Player on a visiting Club receives medical treatment from the home Club's doctor, a copy of any written medical evaluation prepared by

the home Club's doctor shall, when authorized by the Player, be provided to the Player and his Club doctor.

H. Location of Rehabilitation Facilities

A Club may direct a disabled Player to perform prescribed rehabilitation work for an injury at a rehabilitation facility at one of the following three sites: (a) in the Club's home city; (b) on the road with the Club; or (c) if the Player has less than five years of Major League service, at the Club's spring training facility; provided, however, that a Club may not direct that a Player perform prescribed rehabilitation work for an injury at its spring training facility for a period of more than 20 days without the Player's written consent. If such a direction to perform rehabilitation work for an injury at the Club's spring training facility is for more than ten days, then days 11 through 20, if applicable, shall reduce by each day the maximum period of a rehabilitation assignment to a Minor League club for that injury pursuant to Article XIX(C)(1). Regardless of the site of the rehabilitation facility, each Club shall provide first-class rehabilitation facilities and care to all disabled players.

I. Medical History Questionnaire

Each Club shall utilize the Medical History Questionnaire developed by the Club physicians in connection with the Club's initial physical examination of the Player. The current Medical History Questionnaire is attached hereto as Attachment 6.

ARTICLE XIV—Spring Training Conditions

A. Reporting

No Player shall be required to report for spring training workouts more than thirty-three (33) days prior to the start of the championship season, provided that:

- (1) injured Players, pitchers and catchers may be invited to attend spring training workouts no earlier than forty-five (45) days prior to the start of the championship season; and

(2) all other Players may be invited to attend spring training workouts no earlier than forty (40) days prior to the start of the championship season.

B. Living Away from Club Headquarters

Any Major League Player may live away from the Club's spring training headquarters, unless the Club can demonstrate good cause for not permitting him to do so.

C. Meetings with Players

The Association shall have the right to hold one team meeting during the Players' normal working hours, with the Players on each Club in the Club's spring training clubhouse, provided the Association gives the Club involved as much advance notice as possible, but in no event less than 10 days; such meeting to be approximately 60 minutes but not more than 90 minutes in duration starting with the normal reporting time of Players on each Club but not earlier than 9:30 A.M. No "B" games shall be scheduled to conflict with such meetings.

ARTICLE XV—Miscellaneous

A. No Discrimination

The Clubs will not interfere with, restrain or coerce Players because of membership in or lawful activity on behalf of the Association, nor will they discriminate because of Association activity in regard to hire, tenure or employment or any term or condition of employment.

The provisions of this Agreement shall be applied to all Players covered by this Agreement without regard to race, color, religion or national origin.

B. Parking Facilities

Each Club shall provide or arrange for appropriate automobile parking spaces for Players and, to the extent practicable, van and small truck parking spaces for Players, at its home ballpark on game or practice days, without cost to the Players.

C. Winter League Play

No Major League Player shall be required to play in the Winter Leagues, provided that this provision shall not bar a Club from recommending the advisability of such activity to any Player.

D. College Scholarship Plan

A Major League Player for whom there is in effect on or after January 1, 1973 a valid and unexpired scholarship under the College Scholarship Plan may commence or resume his studies under the Plan at any time within two years after his last day of Major League service. If his college studies have not commenced under the Plan within two years after his last day of Major League service, his scholarship shall terminate.

Otherwise, his scholarship shall continue unless he shall fail to attend college for more than two consecutive years after his last day of Major League service, without proper reason as set forth in Major League Rule 3(c)(4)(D). Participation by a Player in Winter League or Instructional League play shall constitute proper reason for tolling the time limitation in the preceding sentence.

E. Active Player Limit

(1) The active Player limit set forth in Major League Rule 2(c) for the period beginning with opening day of the championship season and ending at Midnight, August 31, shall be 25, provided that the minimum number of active Players maintained by each Club throughout the championship season shall be 24. However, if a reduction below 24 occurs as a result of unforeseen circumstances, the Club shall, within 48 hours (plus time necessary for the Player to report), bring its active roster back to a minimum of 24 Players. The utilization or non-utilization of rights under this paragraph (1) is an individual matter to be determined solely by each Club for its own benefit. Clubs shall not act in concert with other Clubs.

(2) The active Player limit set forth in Major League Rule 2(c) for the period beginning with September 1 and ending with the close of the championship season shall be 40 for the duration of this Agreement.

F. Spanish Translations and ESL Courses

This Agreement and the notices listed in Attachment 7 shall be translated and printed in Spanish and shall be made available to all Spanish-speaking Players. The costs for the translation and printing shall be borne equally by the Association and the Clubs. In the event of any dispute involving the interpretation of, or compliance with, the provisions of this Agreement or these notices, the English version shall govern. Further, during each championship season covered by this Agreement, each Club will make available an English-as-a-second-language course, at its expense, provided that at least one Player on that Club requests such a course.

G. Future Expansion

During the term of this Agreement, the Clubs have the right to expand the number of Major League Clubs by adding up to two (2) new Expansion Clubs. Notice of a decision to expand by two Clubs shall promptly be given to the Association and the Association may reopen this Agreement with reference solely to the effect upon the Players of such expansion, upon the giving of 10 days' written notice.

H. Future Contraction

The Office of the Commissioner and/or the Clubs shall not undertake any centralized effort to reduce the number of Major League Clubs effective for a season covered by this Agreement. The Clubs shall, however, have the right, subject to the terms and conditions set forth in this Article XV(H), to reduce by as many as two (2) the number of Major League Clubs effective for the 2007 championship season.

(1) Procedure

(a) The Clubs may not take a vote relating to contraction effective for the 2007 season prior to April 1, 2006. The Clubs shall notify the Association of any decision to contract effective for the 2007 championship season no later than July 1, 2006 and, on or before that date, shall supply to the Association a tentative championship schedule for the 2007 championship season reflecting such decision.

(b) Any decision to contract effective for the 2007 championship season shall be subject to effects bargaining and such bargaining shall commence no later than July 15, 2006.

(2) *Covenants of the Clubs and the Association*

In the event the Clubs vote to contract effective for the 2007 championship season:

(a) The Association, on behalf of itself and the Major League Players, shall not bring in any forum any contractual or NLRA challenge to the decision to contract (but not the effects thereof). Moreover, the Association shall not pursue, encourage, finance or assist any antitrust challenge to such decision to contract; and

(b) The Clubs shall not contend, in any litigation related to a decision to contract effective for the 2007 championship season, that the decision to contract is a mandatory subject of bargaining under the NLRA. Notwithstanding subparagraph (a) above, the Association may intervene in any such litigation to enforce the covenant set out in this subparagraph (b).

(3) *Exclusion*

This Article XV(H) shall not preclude the owner or owners of an individual Club from taking action (e.g., bankruptcy) that would result in the elimination of such Club.

(4) *Survival of the Basic Agreement*

The Clubs and the Association expressly acknowledge and agree that this Article XV(H) shall, in all events, survive the expiration of the Basic Agreement. (See Attachment 8.)

I. Default Notice

During the term of this Agreement, the right of a Player to terminate his Uniform Player's Contract pursuant to the provisions of the first sentence of paragraph 7(a) of such Contract shall be limited to defaults or failures to perform which are material in nature; and any notice of alleged default filed by a Player under paragraph 7(a) of the Uniform Player's Contract must be filed with the Club (with a copy to the LRD)

by the Association, in writing, plainly labeled as a default notice. Should such a material breach on the part of a Club be alleged, the Club, the Player involved, the LRD and the Association will cooperate in scheduling the handling of any Grievance brought with respect to such alleged breach so that such Grievance may be submitted to arbitration on an expedited basis.

J. International Play

(1) Definition

International play is defined as any game or series of games played by a Club or Clubs (or a group or groups of Players, such as All-Star squads)

(a) outside the United States and Canada; or

(b) within or without the United States or Canada against a foreign club or clubs.

Championship season, All-Star, Division Series, League Championship Series and World Series games played in the United States and/or Canada shall not be considered international play.

(2) Possible Expansion

Notwithstanding the foregoing definition of international play, if a Major League franchise is awarded to a city outside the United States and Canada, then championship season, All-Star, Division Series, League Championship Series and World Series games played in that city by such franchise shall not be considered international play.

(3) Prior Agreement Required

The Clubs agree that there will be no international play conducted anywhere in the world at any time without the prior consent of the Association, except for exhibition games during spring training and the championship season against any non-Major League club if such games are played in the United States, Canada or Puerto Rico and are not part of a national or international tour by a foreign club.

(4) All International Activities Subject to Joint Cooperation

The Association and the Clubs shall cooperate with each other regarding all international activities, including but not limited to, international play, international events for which Player participation is sought by or on behalf of a Club or Clubs (such as clinics or skill competitions), international competition among nations, such as the Olympic Games, and the exploitation of international rights, such as media and sponsorship contracts. In this regard, the Association and the Clubs shall keep each other informed of contemplated or planned international activities. Further, the Association and the Clubs agree to honor reasonable requests of each other to be present when international activities are discussed with third parties. Moreover, the Association and the Clubs agree that in discussions with third parties regarding international play or international events for which Player participation is sought by or on behalf of a Club or Clubs, third parties will be advised that the Clubs cannot enter into agreements that bind the Players or the Association, and that the Association cannot enter into agreements that bind the Clubs.

(5) International Play Committee

In furtherance of joint efforts to develop the sport internationally, the Association and the LRD, on behalf of the Clubs, will designate representatives to constitute an International Play Committee within 30 days from the date of execution of this Agreement. The Executive Director of the Association and the Executive Vice President of Labor and Human Resources of the Office of the Commissioner shall serve as Co-Chairs of the Committee.

The Committee shall be kept informed by the Parties regarding all contemplated or planned international activities. The Committee shall meet at least once every calendar quarter (and more frequently, if circumstances warrant) to discuss efforts in furtherance of the international development of the sport. At each such meeting, the Association and the Clubs shall report to each other about their respective efforts regarding international activities. Further, no later than September 1 of each calendar year, the Committee shall discuss and decide upon a plan of international activities, if any, that will be jointly executed by Players and Clubs during the following year. In this regard, each of the Co-Chairs of the Committee shall designate

a Co-Operating Officer who shall be responsible for carrying out the decisions of the Committee.

(6) International Play and Events

The terms and conditions of the participation of Players in any game or games considered to be international play pursuant to paragraphs (1) and (3) above, or in any other international event (such as a clinic or skills competition) for which Player participation is sought by or on behalf of a Club or Clubs, shall be negotiated by the Association and the Office of the Commissioner in advance; provided that the Office of the Commissioner and the Association shall negotiate separate dates and rules to govern those Clubs and Players participating in an International Opener (see Articles V(A) and VI(C)) with the goal being to replicate as closely as possible the rights and obligations that otherwise would have existed. For each such project, all direct expenses, including, but not limited to, Player and/or Club compensation, travel costs, fees and/or prizes, shall be funded, to the extent practicable, by revenues or rights fees from third parties. The Association and the LRD shall negotiate and agree upon the budget for direct expenses on a project-by-project basis. For each such project, the Association and the LRD, on behalf of the Clubs, shall each be entitled to direct the distribution of one-half of any of the remaining revenues or rights fees from third parties after payment of direct expenses. This paragraph (6) does not address any licensing issues.

K. Interest Rate

A uniform annual interest rate, equal to the total of the prime interest rate in effect at The J.P. Morgan Chase Bank on the immediately preceding November 1, plus one percent, rounded to the nearest full percentage point, shall be applied with respect to the following matters:

- (1) the calculation of the "discounted present value" referred to in Article VI(A)(4) above, unless the Club and Player mutually agree otherwise;
- (2) the calculation of the "present value" referred to in Article IX(F)(1)(b) above;

(3) the calculation of the interest referred to in Article XII(A)(3) above;

(4) the calculation of the "present value" referred to in Article XVI below.

L. Players Association Tickets

The Association shall have the right to purchase 12 tickets for the All-Star Game, the Division Series, the League Championship Series and the World Series which tickets shall not be used for commercial purposes. Such tickets will be for seats located between first base and home plate or home plate and third base on field level or the first level above field level, except the Clubs will not require the holders of full regular season ticket plans to be relocated.

M. Family and Medical Leave Act

The Clubs will comply with the requirements of the Family and Medical Leave Act (29 U.S.C. 2601 et seq.).

ARTICLE XVI—Deferred Compensation

There shall be no limitations on either the amount of deferred compensation or the percentage of total compensation attributable to deferred compensation for which a Uniform Player's Contract may provide.

Deferred compensation obligations incurred in a Contract executed after December 31, 1985 but before September 30, 2002 must be fully funded, in an amount equal to the present value of the total deferred compensation obligation, on or before the third January 1 following the championship season in which the deferred compensation is earned. Deferred compensation obligations incurred in a Contract executed on or after September 30, 2002 must be fully funded, in an amount equal to the present value of the total deferred compensation obligation, on or before the second July 1 following the championship season in which the deferred compensation is earned.

Notwithstanding the above funding requirement, each Club shall be entitled to a deductible amount of deferred compensation which need

not be funded. Such amount, for the term of this Agreement, shall be \$2,000,000 of the present value of the aggregate deferred compensation obligations owed by a Club pursuant to Uniform Player's Contracts executed after September 30, 2002. Unless the Uniform Player's Contract provides otherwise, a Club may fund deferred compensation obligations in such manner as it elects; provided that in all events the funding method used by the Club must be such that the amount(s) funded are exclusively for the uses and purposes of satisfying the deferred compensation obligation(s) being funded; provided further that such amount(s) funded are subject to the claims of the Club's general creditors; and provided further that each Club shall certify to the Office of the Commissioner by July 31 of each year (and the Office of the Commissioner shall provide such certifications to the Association by September 1 of such year) the manner in which its deferred compensation obligations that were required to be funded by July 1 of that year have been funded. In addition, by each July 31, each Club shall provide to the Office of the Commissioner all records relating to its deferred compensation funding arrangements, and the Office of the Commissioner shall supply any such records to the Association upon request.

ARTICLE XVII—Existing Agreements

The Parties recognize that there are existing agreements between a Major League Club or Clubs and the Players or the Association, and between either of the Major Leagues separately and the Players or the Association. The Parties reaffirm such agreements and incorporate them as part of this Agreement insofar as they are not inconsistent with this Agreement. Such agreements shall be considered agreements between the Association and the Clubs or any of them for the purpose of the Grievance Procedure provided for in Article XI hereof.

The following three agreements between the Clubs and the Association shall not be incorporated as part of this Agreement and shall not be affected by the adoption of this Agreement:

- (a) The Major League Baseball Players Benefit Plan;
- (b) The Agreement Re Major League Baseball Players Benefit Plan; and
- (c) The Agreement regarding dues check-off.

ARTICLE XVIII—Rule Changes

If during the term of this Agreement any Major League Rule, or other rule or regulation is proposed to be changed, the Clubs agree that they shall give the Association notice thereof, and shall negotiate the proposed change with the Association, provided that the obligation to negotiate with the Association provided by this Article XVIII shall apply only to (a) a change in a Player benefit under an existing rule or regulation and (b) the adoption of a rule or regulation which would change a Player benefit under an existing rule or regulation or impose an obligation upon the Players which had not previously existed. Except as specifically provided in this Article XVIII, the right of the Clubs to make any rule change whatsoever shall not be impaired or limited in any way, provided that the Clubs shall not make any change which is inconsistent with the provisions of any then existing agreement between the Clubs and the Association.

Notwithstanding the foregoing paragraph, if during the term of this Agreement any playing or scoring rule is proposed to be changed, the Clubs agree that they shall give the Association notice thereof, and shall negotiate the proposed change with the Association, provided that the obligation to negotiate with the Association shall apply only to changes which significantly affect terms and conditions of employment. Such proposals to change playing or scoring rules shall normally be made only during the off-season. If the Clubs and the Association fail to reach agreement on a proposed change which is subject to negotiation, the proposed change shall not be put into effect until the completion of the next complete succeeding season (including the Division Series, League Championship Series and World Series) following the date the change was proposed.

ARTICLE XIX—Assignment of Player Contracts

A. Consent to Assignment

(1) The contract of a Player with ten or more years of Major League service, the last five of which have been with one Club, shall not be assignable to another Major League Club without the Player's written consent. No consent from a Player shall be considered effective until twenty-four hours from the Club's request to the

Player for such consent. At his sole election, however, a Player may, at the time he signs a multi-year contract with a Club, waive the right to prevent an assignment of his contract under this Section A(1), provided that the multi-year contract (a) is signed before the Player has attained ten or more years of Major League service, the last five of which have been with one Club, and (b) contains a no-trade provision that, at a minimum, limits the Club's right to assign the Player's contract, during each of its years, to no more than sixteen (16) Clubs designated or subsequently to be designated by the Player.

(2) (a) The contract of a Player with five or more years of Major League service, not including service while on the Military List (or seven or more years of Major League service, including service while on the Military List), shall not be assigned otherwise than to another Major League Club, without the Player's written consent.

(b) Not earlier than 4 days prior to the contemplated date of an assignment requiring the Player's consent under subparagraph (a) above, or 8 days, if the Player has no options remaining or if the assignment is during the period from the close of the championship season to the opening of spring training, the Club shall give written notice to the Player, with a copy to the Association, which shall advise the Player that he may (i) consent to the assignment, (ii) refuse the assignment or (iii) elect to become a free agent. Additionally, the notice shall advise that in the event that the Player consents to the assignment, he may elect free agency between the end of the then current Major League season and the next following October 15, unless he is returned to a Major League roster prior to making such election.

The Player shall also be informed in the notice that, within the 3 days after the date of the notice, or 8 days, if during the period from the close of the championship season to the opening of spring training, he must advise the Club in writing as to his decision to consent to the assignment or to elect to become a free agent. A failure on the part of the Player to respond to the notice shall constitute a refusal of the assignment. No response from the

Player shall be considered effective until twenty-four hours from his receipt of the Club's notice.

(c) A Player who elects to become a free agent under this paragraph (2) shall immediately be eligible to negotiate and contract with any Club without any restrictions or qualifications. Such Player shall not be entitled to receive termination pay. Such a free agent shall receive transportation and travel expenses in the same manner as he would if he had been unconditionally released except that he shall be limited to receiving travel expenses to his new club if he reports to it directly, provided such expenses are less than to his home city.

(3) Any Player who has a right to refuse the assignment of his contract under paragraph 2(a) above may grant consent to an assignment of his contract in advance of any specific contemplated assignment if such consent (a) is granted not more than ten (10) days prior to the start of the championship season for which the consent is given, (b) is in writing, (c) designates the assignee Club and (d) requires that the assignment take place within 45 days from the start of the championship season or the date on which the consent is granted, whichever is later. The Club shall provide a copy of the Player's consent to the Association contemporaneously upon the Club's receipt of such consent. No Club shall attempt to secure, by any Major League terms included in a Minor League Uniform Player Contract, an advance consent to an assignment to a Minor League Club, and any consent so secured shall have no force or effect.

B. Assignment to Minor League club

When a Player's contract is assigned from a Major League Club to a Minor League club, the rights and benefits of such Player that do, and do not, follow him to the Minor Leagues shall be in accordance with past practices. Additionally, such a Player shall retain the right, if any, to become a free agent, or to require the assignment of his contract, which he possessed under his then current Major League contract as provided in Article XX hereof, which right shall not be diminished or interfered with as a result of such assignment or the signing by the Player of a Minor League contract, provided that such right shall terminate if and when such Player signs a Minor League contract following the time when his free agency rights arise under Article XX.

C. Disabled List-Assignment to Minor League club

(1) There shall be no assignment of a Player by a Major League Club to a Minor League club while such Player is on a Major League Disabled List; provided, however, that with the Player's written consent, a copy of which shall be forwarded to the Association, and with the approval of the Commissioner, a Player on the Disabled List may be assigned to a Minor League club for up to a maximum of twenty days (thirty days for pitchers) for each injury, or reoccurrence of an injury, for the purpose of rehabilitation, subject to the limits contained in Article XIII(H). Separate consent shall be required for a rehabilitation assignment for a new injury or a reoccurrence of an injury. No consent shall be effective for longer than twenty days (thirty days for pitchers).

Players may not be reinstated from the Disabled List for purposes of assignment to a Minor League club until they are ready to play. Players who are injured and not able to play may not be assigned to a Minor League club in lieu of placement on the Disabled List.

(2) Notwithstanding Section C(1) above, a Player who is injured and not able to play may be assigned to a Minor League club:

(a) During the period immediately following the close of the championship season and before the filing of Major League Reserve Lists under Major League Rule 2(a), if:

(i) the Player's Major League Uniform Player's Contract does not cover the next succeeding season; and

(ii) the Player, if he otherwise would have been eligible for salary arbitration as a "Super Two" Player (see Article VI(F)(1)), may elect free agency under the procedures contained in Article XX(D) in lieu of accepting the assignment; provided, however, that a Player who accepts the assignment shall not have a right, by virtue of such acceptance, to elect free agency between the end of the then next succeeding championship season and the next following October 15; and

(iii) the Major League Club offers the player a Minor League salary for the following season which does not constitute a reduction in excess of 20% of the player's previous

year's salary or in excess of 30% of his salary two years previous. (See Article VI(D)(1).)

A player who would become a Minor League free agent as a result of the assignment shall have a period of three business days following the date of the assignment in which to accept the Club's offer before he becomes a Minor League free agent. (See Major League Rule 55.) If the player does not accept the offer within this period, he shall automatically become a Minor League free agent and the Club's offer shall automatically be deemed withdrawn.

(b) During the period immediately following the close of the championship season and before the 15th day prior to the start of the next championship season, if:

(i) the Player has less than three years of Major League service;

(ii) the contemplated assignment would not be the Player's second (or subsequent) career outright assignment since March 19, 1990;

(iii) the Player had no Major League service the prior championship season; and

(iv) the Player was not selected by the assignor Major League Club in the immediately preceding Rule 5 Draft.

(3) Any service with a Minor League club while on rehabilitation assignment shall be deemed to be Major League service as defined in Article XXI. A Player so assigned shall continue to receive his Major League salary and the other rights and benefits of such Player shall be in accordance with past practices relating to assignments to Minor League clubs; provided, however, that all such players shall be treated as if they were Major League Players on the road for purposes of hotel accommodations and the daily meal and tip allowance. Such assignment shall not be counted as an optional assignment under Major League Rule 11 or for any other purpose, and waivers shall not be required.

D. Foreign Assignments

Except for the return of conditional assignments from outside the United States and Canada, the contract of a Player shall not be assigned otherwise than within the United States and Canada, without the Player's written consent.

E. Optional Assignments

If a Player is optionally assigned for a total of less than 20 days in one championship season, such optional assignment(s) shall not count as an optional assignment in connection with the limitation upon optional assignments provided for in Major League Rule 11(c). (See Article XXI(B).)

For purposes of counting days on option, the date of the optional assignment shall be counted and the date of recall shall not be counted, provided that the date of recall shall be counted if the recall takes place after the start of any Minor League game in which the Player was eligible to play.

F. Waivers

Any assignment of a Player contract must conform to the rules regarding waivers contained in Major League Rule 10.

In addition, each Friday, not later than 3 P.M. E.D.T., the Office of the Commissioner shall notify the Association, by facsimile transmission, of all waiver requests and their disposition. Notification shall include:

- (1) the date on which the waiver request was made;
- (2) the date of expiration of the waiver period;
- (3) if the waiver period has expired, whether or not claims were filed;
- (4) if claims are not filed, the period for which waivers have been granted; and
- (5) if claims were filed, whether or not the Club requesting waivers has withdrawn its request. In the event claims were filed and the Club requesting waivers has withdrawn its request, the Office of the Commissioner need not identify the claiming Club or Clubs.

G. Designated Player

A Player who is in the status of a "designated player" under Major League Rule 2(k) shall, during the period he is in such status, be

- (1) paid at the rate of his Major League salary and
- (2) credited with Major League service.

A Club that desires to unconditionally release a Player who is in the status of a "designated player" under Major League Rule 2(k) shall request the necessary waivers by 2 P.M. on the eighth day following such designation; provided, however, that if the eighth day falls on a non-business day, the Club shall request such waivers not later than 2 P.M. on the next business day.

H. Unconditional Release

Notwithstanding the provisions of Major League Rule 8 and paragraph 7(d) of the Uniform Player's Contract, the following procedure may be used to give notice to a Player in connection with his unconditional release.

At the same time the Club advises a Player in writing that the Club has requested waivers for the purpose of unconditional release, and the date on which the waiver request will expire, the Player shall advise the Club in writing of the address and telephone number to which the Club should telephone or telegraph notice of termination to the Player upon the expiration of the waiver period. If the Player fails to supply a telephone number or address, the Club may use the most recent address or telephone number the Player has supplied the Club.

Upon the expiration of the waiver period, the Club shall either give notice to the Player by telephone or by sending a telegraph notice of termination to the Player. In addition, the Player may make a collect telephone call to the Club to determine whether his contract has been claimed.

I. Forms

In any case in which a Player's consent must be secured prior to the assignment of his contract (see Article XIX(A)(1), Article XIX(A)(2)(a),

Article XIX(A)(3) and Article XIX(C)(1)) or in which a Player may elect free agency in lieu of accepting the outright assignment of his contract (see Article XX(D)(1) and (2)), the form given to the Player must include the Player's name in typewritten form.

ARTICLE XX—Reserve System

A. Reservation Rights Of Clubs

Subject to the rights of Players as set forth in this Agreement, each Club may have title to and reserve up to 40 Player contracts. A Club shall retain title to a contract and reservation rights until one of the following occurs:

- (1) The Player becomes a free agent, as set forth in this Agreement;
- (2) The Player becomes a free agent as a result of
 - (a) termination of the contract by the Club pursuant to paragraph 7(b) thereof,
 - (b) termination of the contract by the Player pursuant to paragraph 7(a) thereof,
 - (c) failure by the Office of the Commissioner to convey to the Player, by Central Tender Letter submitted to the Association, the Club's tender of a new contract within the time period specified in paragraph 10(a) of the contract (see Attachment 9), or
 - (d) failure by the Club to exercise its right to renew the contract within the time period specified in paragraph 10(a) thereof; or
- (3) The contract is assigned outright by the Club.

On or before December 20 (or if a Sunday, then on or before December 18) the Office of the Commissioner shall satisfy the Clubs' tender obligations pursuant to paragraph 10(a) of the Uniform Player's Contract by submitting to the Association a letter listing, by Club, the Players to whom each Club is tendering a contract for the term of the next year ("Central Tender Letter"). The Central Tender Letter shall, consistent with Article VI(B) and Article VI(D), include for each Player so

tendered the salary or salaries, performance bonuses and/or other terms, if any, offered by the Club. The Central Tender Letter also shall separately list, also by Club, those players who have not been tendered a contract for the term of the next year.

With the exception of an untimely tender or renewal, any inadvertent error in the tendering or renewal of a contract shall result in free agency under paragraph (2)(c) or (2)(d) above, whichever is applicable, only if the Player has first given the Club written notice that the tendered or renewed Contract does not conform to the requirements of Article VI of this Agreement and the Club has not retendered or reexercised a renewal in conformance with all applicable rules within seven (7) days after receipt by the Club of written notice of such defect. In the event of an untimely tender or renewal, the Player shall immediately become a free agent under paragraph (2)(c) or (2)(d) above, whichever is applicable, and the Club shall have no right to cure such a tender or renewal. (But see Article VI(A)(7).)

A Club may also reserve, under separate headings on a Reserve List, Players who properly have been placed on the Voluntarily Retired List, the Military List, the Suspended List, the Restricted List, the Disqualified List or the Ineligible List. (See Attachments 10, 11 and 12.)

B. Free Agency

(1) Eligibility

Following the completion of the term of his Uniform Player's Contract, any Player with 6 or more years of Major League service who has not executed a contract for the next succeeding season shall be eligible to become a free agent, subject to and in accordance with the provisions of this Section B.

(2) Procedure

The procedure set forth in this paragraph (2) shall apply to Players eligible to become free agents pursuant to paragraph (1) above. Players who otherwise become free agents under this Agreement shall be eligible to negotiate and contract with any Club without any restrictions or qualifications and the Clubs signing such free

agents shall do so without regard to the quota provision of this Section B.

(a) A Player eligible to become a free agent under paragraph (1) above may give notice of his election of free agency within the 15 day period beginning on October 15 (or the day following the last game of the World Series, whichever is later). Election of free agency shall be communicated by telephone or any other method of communication by the Player to the Association. Written notice of such election shall then be given within the specified time limits by the Association, on behalf of the Player, to a designated representative of the LRD and, effective upon receipt, the Player shall become a free agent.

(b) During the period beginning on the day the Player becomes a free agent and ending on the expiration of the free agency election period as defined above in subparagraph (a), any Club representative and any free agent or his representative may talk with each other and discuss the merits of the free agent contracting, when eligible therefor, with the Club, provided, however, that the Club and the free agent shall not negotiate terms or contract with each other. The following subjects are among those which may properly be discussed between any Club and such Player:

(i) the Player's interest in playing for the Club, and the Club's interest in having the Player play for it;

(ii) the Club's plans about how it intends to utilize the Player's services (as a starting pitcher or reliever, as a designated hitter or not, platooning, etc.);

(iii) the advantages and disadvantages of playing for the Club including the nature of the organization, the climate of the city, availability of suitable housing, etc.;

(iv) length of contract;

(v) guarantee provisions;

(vi) no-trade or limited no-trade provisions.

Notwithstanding the foregoing, the free agent and his former Club may engage in negotiations and enter into a contract during said period. Should they enter into a contract during said period, the Club shall be deemed not to have signed a free agent for purposes of paragraph (5) of this Section B.

(c) Players who become free agents pursuant to this Section B shall, upon compliance with the notice provisions of the above subparagraph (a) and the expiration of the free agency election period, be eligible to negotiate and contract with any Club, subject to the provisions of this Section B.

(3) Rights of Former Club to Sign Free Agent

The following provision shall apply only to those Players who become free agents under this Section B.

The former Club of a free agent, no later than by the December 7 following the free agency election period, may offer to proceed with the Player to salary arbitration under Article VI of this Agreement, for the next following season. The Club's offer shall be communicated to the LRD, which shall notify the Association in writing. Said offer shall be effective upon receipt by the Association and the Club will not be permitted to retract the offer. If the former Club of the free agent does not so offer, it shall not be entitled and shall lose all rights to negotiate with, and sign, the free agent, until the succeeding May 1.

On or before December 19, the Player may accept the Club's offer to arbitrate. The Player's acceptance shall be communicated to the Association, which shall notify the LRD. The Player's failure to accept the Club's offer on or before December 19 shall be deemed to constitute rejection of the offer.

If the Player accepts the offer to arbitrate, he shall be a signed player for the next season and the parties will conduct a salary arbitration proceeding under Article VI, provided, however, that the rules concerning maximum salary reduction set forth in Article VI shall be inapplicable and the parties shall be required to exchange figures on the last day established for the exchange of salary arbitration figures under Article VI. The Club shall be deemed not to have signed a free agent for purposes of paragraph (5) of this Sec-

tion B when a Player accepts salary arbitration pursuant to this paragraph (3).

If the Player does not accept the former Club's offer to proceed to salary arbitration as provided above, the former Club, after the succeeding January 8, shall not be entitled and shall lose all rights to negotiate with or sign the Player, until the succeeding May 1.

(4) *Compensation*

(a) The former Club of a Player who: (i) became a free agent under this Section B; and (ii) ranks as a Type A, B or C Player as defined below, shall be entitled to receive compensation subject to the provisions of subparagraph (c) below. Such compensation shall consist solely of the amateur draft choices described in subparagraph (c) below and shall be awarded in the Major League Rule 4 Draft succeeding the Player's election of free agency.

(b) A Type A, B or C Player shall be a Player who became a free agent under this Section and who ranks as a Type A, B or C Player under the statistical system of ranking Players set forth in the document entitled "A Statistical System for the Ranking of Players," using statistics based on a two-year average for each respective position group.

Type A Players: A Type A Player shall be a Player who ranks in the upper thirty percent (30%) of his respective position group.

Type B Players: A Type B Player shall be a Player who ranks in the upper fifty percent (50%) but not in the upper thirty percent (30%) of his respective position group.

Type C Players: A Type C Player shall be a Player who ranks in the upper sixty percent (60%) but not in the upper fifty percent (50%) of his respective position group.

(c) A Type A, B or C Player shall be subject to compensation only if (i) he is offered salary arbitration by his former Club on or before December 7 pursuant to Section B(3) of this Article XX and signs a contract with another Club; or (ii) he signs a contract with another Club prior to December 7. Further, a Type C Player shall not be subject to compensation if he (iii) has not signed a Uniform Player's Contract or reached agreement on terms as of the March 1 suc-

ceeding his election of free agency; or (iv) has previously elected free agency under this Section B (or under Article XVII(B)(2) of the 1976 Basic Agreement, or under Article XVIII(B)(2) of the 1980 Basic Agreement as amended, or under Article XX(B)(2) of the 1990 Basic Agreement or under Article XX(B)(2) of the 1997 Basic Agreement); or (v) has 12 or more years of credited Major League service.

For such Type A Players, compensation to the Player's former Club shall be an amateur draft choice ("Regular Draft Choice") of the signing Club and an added amateur draft choice ("Special Draft Choice") in the Major League Rule 4 Draft. For such Type B Players, compensation to the Player's former Club shall be a Regular Draft Choice of the signing Club in the Major League Rule 4 Draft. For such Type C Players, compensation to the Player's former Club shall be a Special Draft Choice in the Major League Rule 4 Draft.

(d) The Regular Draft Choice of the signing Club described in subparagraph (c) above shall be assigned as follows. If the signing Club is among the first half of selecting Clubs, then the choice to be assigned for the highest ranking free agent Player signed by such Club shall be its second choice, with choices in the next following rounds to be assigned as compensation for the signing of the other Players in descending order of ranking. If the signing Club is among the second half of selecting Clubs, then such compensation shall begin with the Club's first choice.

The Special Draft Choices described in subparagraph (c) above to be awarded to the former Club shall be made as follows. If the Club has lost a Type A Player, it shall be awarded an additional draft choice to be made immediately following the first complete round of the draft and preceding the commencement of the second round. Clubs which have lost Type A Players shall make their choices in the reverse order of their won-lost percentage in the preceding season. Ties shall be broken by lot. If the Club has lost a Type C Player, it shall be awarded a draft choice to be made immediately following the second complete round of the draft and preceding the commencement of the third round. Clubs which have lost Type C Players shall make their choices in the reverse order of their won-lost percentage in the preceding season. Ties shall be broken by lot.

(5) *Quota*

(a) Clubs shall be limited in the number of Type A and B Players, as defined below, they may subsequently sign to contracts. The number of signings permitted shall be related to the number of Players electing free agency under this Section B. If there are 14 or less such Players, no Club may sign more than one Type A or B Player. If there are from 15 to 38 such Players, no Club may sign more than two Type A or B Players. If there are from 39 to 62 such Players, no Club may sign more than three Type A or B Players. If there are more than 62 such Players, the Club quotas shall be increased accordingly. There shall be no restrictions on the number of unranked Players which a Club may sign to contracts.

(b) Irrespective of the provisions of subparagraph (a) above, a Club shall be eligible to sign at least as many Type A and B Players as it may have lost through Players having become free agents under this Section at the close of the season just concluded.

(6) *Miscellaneous*

(a) Any Club signing a contract after the expiration of the election period with a Player under this Section B may not assign his contract until after the next June 15. However, notwithstanding the foregoing, such contract may be assigned for other Player contracts and/or cash consideration of \$50,000 or less prior to the next June 16 if the Player gives written consent to such transaction.

(b) There shall be no restriction or interference with the right of a free agent to negotiate or contract with any baseball club outside the structure of organized baseball, nor shall there be any compensation paid for the loss of a free agent except as provided for in this Section B.

C. Right to Require Assignment of Contract

(1) *Eligibility*

Any Player who has 5 or more years of Major League service at the time of the assignment of his contract and whose contract covers the next succeeding season, may elect, at the conclusion of the season following the assignment, to require that his contract be

assigned to another Club. If the Player, however, subsequently signs a contract with the assignee Club, the Player shall not be eligible to require that Club to assign his contract if the contract executed with the assignee Club covers the next succeeding season. A Player who requires the assignment of his contract pursuant to this Section C shall not be entitled to receive a Moving Allowance.

(2) *Procedure*

(a) Notice. A Player may exercise his right to require the assignment of his contract by giving notice as hereinafter provided within the 15 day period beginning on October 15 (or the day following the last game of the World Series, whichever is later). Election to require the assignment of his contract shall be communicated by telephone or any other method of communication by the Player to the Association. Written notice thereof shall then be given within the specified time limits by the Association, on behalf of the Player, to a designated representative of the LRD, and shall become effective upon receipt.

(b) Player Veto Rights. At the time notice is given as provided in subparagraph (a) above, the Player may also designate not more than 6 Clubs which he will not accept as assignee of his contract, and the Player's Club shall be bound to assign his contract thereafter to a Club not on such list.

(c) Free Agency if Assignment Not Made. If the Player's Club fails to assign his contract, as set forth in this Section C, on or before March 15, the Player shall become a free agent immediately eligible to negotiate a contract with any Club without any restrictions or qualifications. The Player shall not be deemed to have exercised his right to demand a trade, for purposes of paragraph (5) below, and the Club signing such a free agent shall do so without regard to the compensation and quota provisions of Section B. A Player who becomes a free agent pursuant to this subparagraph shall not be entitled to receive termination pay. Such a free agent shall receive transportation and travel expenses in the same manner as he would have if he had been unconditionally released except he shall be limited to receiving travel expenses to his new Club if he reports to it directly, provided such expenses are less than to his home city.

(3) *Retraction by Player*

A Player who has elected to exercise his right to require an assignment of his contract may retract such election on or before March 15, by providing, by hand or by facsimile transmission, written notice to his Club, provided that such written notice must be provided prior to the time written notice is provided, by hand or by facsimile transmission, to him (or to his certified agent and to the Association in the event facsimile transmission is used) by his Club notifying him that his contract has been assigned. If such a Player has 10 or more years of Major League service, the last 5 of which have been with one Club, he shall, upon such retraction, be deemed to relinquish his right to approve any assignment of his contract to another Major League Club which is completed within 60 days after such retraction or until March 15, whichever is later. A Player who retracts his election shall be deemed not to have exercised his right to require an assignment for purposes of paragraph (5) below.

(4) *Waiver by Player*

At his sole election, a Player may, at the time he signs a multi-year contract with a Club, waive the right to require the assignment of his contract under this Section C, provided that the Player's contract with the signing Club contains a no-trade provision which limits the signing Club's right to assign the Player's contract to no more than sixteen (16) Clubs designated or subsequently to be designated by the Player.

(5) *Repeater Rights*

Any Player whose contract is assigned as a result of a trade required pursuant to this Section C, until he has completed an additional 3 years of Major League service, shall not subsequently be eligible to exercise his right to (i) require the assignment of his contract or (ii) become a free agent, subject to subparagraphs (a) through (c) below.

(a) Any Club that retains reservation rights to a Player for a succeeding championship season by virtue of the provisions of this paragraph (5) shall notify such Player, at any time within the first five (5) days of the free agency election period described in

Section B(2) of this Article XX, whether the Club offers to proceed with the Player to salary arbitration for the succeeding season. The Club's offer shall be communicated to the LRD, which shall notify the Association in writing. Said offer shall be effective upon receipt by the Association and the Club will not be permitted to retract the offer.

(b) In the event the Club notifies the Player of such a salary arbitration offer, the Club shall be required to tender a contract to the Player for the succeeding season and the Player may elect salary arbitration in the same manner and at the same time as other Players, as provided in Article VI(F). If a Player who is offered salary arbitration is released pursuant to paragraph 7(b)(2) of the Uniform Player's Contract prior to the date he is actually tendered a Contract, he shall receive termination pay in accordance with the provisions of Article IX(A), computed at a rate not less than his previous year's salary.

(c) In the event the Club fails to notify the Player in writing of a salary arbitration offer within the first five (5) days of the free agency election period described in Section B(2) of this Article XX, the Player thereafter may elect free agency pursuant to Section B of this Article XX without any restrictions or qualifications. The Club signing the Player shall do so without regard to the compensation and quota provisions of Section B of this Article XX.

D. Outright Assignment to Minor League club

(1) Election of Free Agency-3-Year Player

Any Player who has at least 3 years of Major League service and whose contract is assigned outright to a Minor League club may elect, in lieu of accepting such assignment, to become a free agent. In the event that such Player does not elect free agency in lieu of accepting such assignment, he may elect free agency between the end of the then current Major League season and the next following October 15, unless such Player is returned to a Major League roster prior to making such election.

(2) Election of Free Agency-Second Outright Assignment

Any Player whose contract is assigned outright to a Minor League club for the second time or any subsequent time in his career may elect, in lieu of accepting such assignment, to become a free agent. In the event that such Player does not elect free agency in lieu of accepting such assignment, he may elect free agency between the end of the then current Major League season and the next following October 15, unless such Player is returned to a Major League roster prior to making such election.

(3) Effect of Free Agency Election

A Player who becomes a free agent under this Section D shall immediately be eligible to negotiate and contract with any Club without any restrictions or qualifications. Such Player shall not be entitled to receive termination pay. Such a free agent shall receive transportation and travel expenses in the same manner as he would if he had been unconditionally released except he shall be limited to receiving travel expenses to his new club if he reports to it directly, provided such expenses are less than to his home city.

(4) Procedure

Not earlier than 4 days prior to the contemplated date of an outright assignment, or 8 days, if the Player has no options remaining or if the assignment is during the period from the close of the championship season to the opening of spring training, the Club shall give written notice to the Player, with a copy to the Association, which shall advise the Player that he may either (a) accept the assignment or (b) elect to become a free agent, and that in the event he accepts the assignment, he may elect free agency between the end of the then current Major League season and the next following October 15, unless he is returned to a Major League roster prior to making such election. The Player shall also be informed in the notice that, within 3 days after the date of the notice, or 8 days, if during the period from the close of the championship season to the opening of spring training, he must advise the Club in writing as to his decision whether to accept the assignment. No such decision from a Player shall be considered effective until twenty-four hours from his receipt of the Club's notice.

If the Club fails to give written notice, as set forth herein, to the Player prior to the date of such assignment, the Player may, at any time, elect to become a free agent pursuant to this Section D, provided, however, that if the Club subsequently gives such written notice to the Player, he shall, within 3 days thereafter, or 10 days, if during the period from the close of the championship season to the opening of spring training, advise the Club in writing as to his decision. No such decision from a Player shall be considered effective until twenty-four hours from his receipt of the Club's notice.

E. Individual Nature of Rights

(1) The utilization or non-utilization of rights under Article XIX(A)(2) and Article XX is an individual matter to be determined solely by each Player and each Club for his or its own benefit. Players shall not act in concert with other Players and Clubs shall not act in concert with other Clubs.

(2) Upon any finding of a violation of Section E(1) of this Article XX by two or more Clubs, any injured Player (or Players) shall be entitled to recover in monetary damages three (3) times the lost baseball income, he (or they) would have had but for the violation. Such lost baseball income shall be limited to lost salary and other lost contractual terms, including lost additional contract years, lost signing bonuses, lost trade restriction provisions, lost option buy-out provisions, and lost incentive bonuses (*e.g.*, performance, awards, attendance and weight bonuses). Damages (and fees and interest) may be recovered only from the Clubs found to have violated Section E(1) of this Article XX.

(3) Notwithstanding any other provision of this Basic Agreement, the Arbitration Panel shall further order payment by the Clubs found to have violated Section E(1) of this Article XX of all reasonable attorneys' fees and expenses, expert witness fees and expenses and prejudgment interest on the single damage calculation of the lost baseball income pursuant to paragraph (2).

(4) Any injured Player (or Players or the Association) shall not be entitled to recover any monetary damages pursuant to this Article XX(E) other than those enumerated in paragraphs (2) and (3).