

## TERM SHEET

### **PURCHASE AND SALE OF PRICE COUNTY FAIRGROUNDS**

1. Buyer. Price County Productions INC.
2. Seller. Price County
3. Property. The land described and generally depicted in Exhibit A attached hereto, including all buildings ("Buildings") and other improvements thereon, commonly known as the Price County Fairgrounds (collectively, the "Property"), but excluding all equipment, personal property, and trade fixtures of Seller.
4. Intent. The goal of the Seller is to make sure the Property continues to be available for the public to use as an area to gather, and to see the property grow as a community asset through investment by the buyer, and to insure the future and ongoing use of the entities listed in Exhibit b.
5. Purchase Price. One Hundred Fifty Thousand Dollars (\$150,000), payable in the form of an irrevocable letter of credit ("Letter of Credit") in favor of Seller, from a lending institution acceptable to Seller, which Letter of Credit shall remain in place for a period of sixty (60) months following Buyer's acquisition of the Property ("Improvement Period"). At any time on or before the expiration of the Improvement Period, Buyer shall have the right to notify Seller in writing ("Improvement Notice") that Buyer has invested at least One Hundred Fifty Thousand Dollars (\$150,000.00) in new capital improvements to the Property ("Improvements"), i.e. excluding maintenance and repair of existing improvements, and excluding repairs or replacements following a casualty event; provided, that the cost of any repair or replacement work done on the cattle barn located on the Property shall count towards the \$150,000.00 investment in Improvements described in this Section 5. Upon Buyer's delivery of such Improvement Notice, which Improvement Notice shall be accompanied by paid invoices, lien waivers, and any other information reasonably requested by Seller, and upon acceptance of such Improvement Notice by Seller, Buyer shall have the right to terminate the Letter of Credit. If the Buyer does not deliver an Improvement Notice during the Improvement Period, then Buyer will, within thirty (30) days after the end of the Improvement Period, notify Seller in writing of the actual amount that Buyer has invested in new Improvements to the Property (accompanied by paid invoices), and Seller shall have the right to draw from the Letter of Credit an amount equal to the difference between \$150,000.00 and the amount actually spent by Buyer on Improvements. Seller's acceptance of improvement notice and any other evidence of investment, shall be provided within 60 days of receipt or by default will be considered accepted by the seller if no response provided within 60 days, The review of the letter of credit shall take place at least once a year (annual) and be reduced accordingly, but may happen upon buyers request no more then quarterly.
  - a. Working in good faith the cattle barn restoration/replacement shall be addressed in the first 36 months of the transfer.
  - b. Rodeo specific improvements may not count towards the reduction of \$150,000 (example – bucking chutes).
6. Purchase Agreement. Buyer and Seller shall work together in good faith to negotiate and execute a purchase agreement (the "Purchase Agreement") which shall incorporate the material terms of this Term Sheet and shall otherwise be satisfactory in form and content to each of Buyer and Seller. Both

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parties shall use commercially reasonable efforts to sign the Purchase Agreement within twenty (20) days of full execution of this Term Sheet. The Purchase Agreement once executed by the parties shall be considered irrevocable for the Seller by the county board.

7. Contingencies of Buyer. The Purchase Agreement and Buyer's obligations to purchase the Property thereunder shall be subject to Buyer's satisfaction of the following conditions within ninety (90) days after the date of execution of the Purchase Agreement (the "Due Diligence Period"):

(a) Inspection of Property. Buyer, at Buyer's sole cost and expense, prior to the expiration of the Due Diligence Period, shall perform all inspections of the Property deemed necessary or desirable by Buyer, including but not limited to physical inspections and environmental inspections, and shall have accepted the results of same; provided, that Buyer shall not perform any boring, sampling, or invasive testing without the written consent of the Seller.

(b) Review of Title. Buyer, at Buyer's sole cost and expense, prior to the expiration of the Due Diligence Period, shall have the right to obtain a title commitment and to review all documents related to matters of title and encumbrances affecting the Property appearing thereon, and (a) Seller shall have agreed to cure all such matters of title which are objectionable to Buyer to be removed at or before Closing, or (b) Seller shall have notified Buyer that Seller declines to remove some or all of such matters from title, and Buyer shall have agreed to accept title to the Property subject to such items.

(c) Survey. Buyer, at Buyer's sole cost and expense, prior to the expiration of the Due Diligence Period, may obtain a survey of the Property acceptable to Buyer in Buyer's reasonable discretion.

(d) Building Leases. Buyer and Seller acknowledge that the entities listed in Exhibit B attached hereto (each, a "Building Tenant") currently occupy and use from time-to-time certain buildings on the Property (each, an "Occupied Building"), and that such Building Tenants will continue to occupy and use the Occupied Buildings after Buyer's acquisition of the Property. Seller shall, within ten (10) business days after full execution of the Purchase Agreement by Buyer and Seller, provide to Buyer a form of lease ("Building Lease") that Seller desires to be executed between Buyer and each Building Tenant setting forth the terms of the occupancy and use of each Occupied Building by the applicable Building Tenant, which Building Leases shall, among other terms, require such Building Tenants to pay no rent beyond certain obligations to maintain and repair the Occupied Buildings. Any changes to the form of Building Lease desired by Seller and/or any Building Tenant shall be reviewed and approved by Seller, which approval shall not be unreasonably withheld. Buyer and each Building Tenant shall agree upon the terms of a Building Lease for each Occupied Building during the Due Diligence Period, and each Building Lease shall be executed at closing.

(e) Other Leases. Buyer and Seller acknowledge that (i) the entire Property is occupied and used by the Price County Fair Association, Inc. ("PCFA") for a period of approximately two (2) weeks ("Primary Fair Lease Period") each summer for the hosting of the Price County Fair (the "Fair"), including the days that the Fair itself is being staged as well as several days before and after the Fair for preparation and clean up, and (ii) portions of the Property are, as of the date of this Term Sheet, used annually and from time to time by 4-H, Antiques Association and the

Boy Scouts ("Local Organizations"). During the Due Diligence Period, Buyer and PCFA shall enter into a lease (the "Fair Lease") pursuant to which (a) PCFA shall have exclusive access to and use of the Property to stage the Fair during the Fair Lease Period, and (b) PCFA shall have non-exclusive access to the Property at all other times ("Secondary Fair Lease Period") for the purpose of maintaining, repairing, and replacing portions of the Property if and as permitted or required by the Fair Lease, and to otherwise prepare to stage the Fair on the Property. Buyer shall likewise enter into leases with the Local Organizations with regard to the portions of the Property and for the same general time frames that the Local Organizations have used the Property in the past ("Other Leases"). Notwithstanding the foregoing, neither the Fair Lease nor the Other Leases shall materially and adversely affect the rights of the Building Tenants under the Building Leases, nor shall the Fair Lease or the Other Leases materially and adversely affect Buyer's ability to stage the Rodeo (as hereinafter defined) on the Property.

(f) Permits Issued to Buyer. Buyer shall, subject to all requirements of applicable law, obtain a Conditional Use Permit allowing the Property to be used from time to time as a campground, provided that Seller makes no representation as to the feasibility of Buyer obtaining such Conditional Use Permit. Notwithstanding the foregoing, Seller shall issue to Buyer a standing permit for events greater than 1,000 people, pursuant to the requirements of all applicable ordinances governing the Property, to allow the Property to be used for the Fair. The large assemblies permit shall be updated annually, or if any changes take place during the year regarding the Buyer's representations on the original permit.

(g) Hydrology and Hydraulic (H&H) Study. Seller shall, at Seller's sole cost and expense, Conduct a H & H Study of the entire property, the results of the study and all information gathered to conduct the study as well as the electronic input and output modeling files shall be made available to the buyer.

8. Contingencies of Seller. The Purchase Agreement and Seller's obligation thereunder to sell the Property to Buyer shall be subject to Seller's satisfaction of the following conditions during the Due Diligence Period:

- (a) Execution of the Building Leases by Buyer and the Building Tenants;
- (b) Execution of the Fair Lease by Seller and PCFA;
- (c) Execution of the Other Leases by Buyer and Local Organizations;
- (d) Buyer's waiver of all contingencies as set forth in Section 7 above.

9. Closing Date. The purchase and sale of the Property from Seller to Buyer Purchase Agreement shall contemplate a closing to occur no later than thirty (30) days following satisfaction of all conditions of Buyer as provided in the Purchase Agreement.

10. Seller's Right of First Refusal. If at any time after Buyer's acquisition of the Property, Buyer desires to sell all or any portion of the Property to a third party, Buyer shall notify Seller of same ("Transfer Notice"), which Transfer Notice shall put forth the name of the party to which Buyer desires to Transfer

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the Property, the price and other material terms of such proposed Transfer, the qualifications of the party to which the Property will be Transferred (including a financial statement or other information reasonably acceptable to Seller regarding the financial strength of such transferee), and the use to which such proposed transferee intends to put the Property. Seller shall have the right of first refusal ("ROFR"), by written notice to Buyer, to elect to re-purchase the Property from Buyer for the amount and upon the material terms set forth in the Transfer Notice. If Seller chooses not to exercise its ROFR, Buyer shall have the right to Transfer the Property to the person or entity identified in the Transfer Notice, and Buyer will pay Seller 10% of the consideration received by Buyer for such Transfer. Such ROFR to be further defined in the Purchase Agreement. For purposes of the Purchase Agreement, "Control" shall mean direct or indirect ownership of fifty percent (50%) or more of all of the voting stock of a corporation or fifty percent (50%) or more of the legal or equitable interest in any other business entity, or the power to direct the operations of any entity (by equity ownership, contract or otherwise).

11. County Approval of Sale. In addition to Seller's ROFR set forth in Section 10 above, upon receipt of a Transfer Notice, Seller shall have the right, by written notice to Buyer delivered within fifteen (15) days after receipt of a Transfer Notice, to notify Buyer in writing that Seller disapproves of the proposed transferee due to Seller's assessment, in Seller's reasonable discretion, that (i) the proposed transferee is not adequately financed, adequately experienced, or is otherwise not qualified to operate the Property in the manner contemplated herein, or (ii) the proposed use of such transferee is illegal, unsafe, or otherwise inconsistent with the operation of the Property in the manner contemplated herein. To be further defined in the Purchase Agreement.
12. Extension of Due Diligence Period. Buyer and Seller acknowledge that questions exist around the status of title to a portion of Parcel 1 of the Property known as the "Post Road." If Buyer and Seller are unable to determine the status of title to the Post Road during the Due Diligence period so that Seller is able to deliver clear title thereto to Buyer, Buyer and Seller shall each have the right, by written notice to the other party, to extend the Due Diligence Period for one (1) period of sixty (60) days to provide additional time to resolve the status of title to the Post Road.
13. Property Not Used as Collateral. Subject to Section 7(d) and 7(e) above, the Buyer shall not have the right to use the Property as collateral for any loan or to otherwise encumber the Property in any way, including but not limited to by leasing all or any portion thereof for a term of more than one (1) year or by granting any permanent easements or other such rights of use, without the written consent of the Seller, which consent shall be granted or withheld in Seller's sole discretion. Short term leasing for events as well as leases with terms of less than one (1) year is allowed without written consent from the Seller.
14. County Support of PCFA. After Buyer's acquisition of the Property, Seller shall continue to support the operation of the PCFA (or its successor entity that may stage the Fair in the future), provided that any such funds required are appropriated in the County's annual budget.
15. Costs. Except for the cost to perform the Seller's Work (as defined in Section 14 above), and except for the completion of the H&H Study described in Section 7(g) above, the Buyer shall be responsible for and bear all costs and expenses incurred by each party in connection with the transaction contemplated hereby, including but not limited to all taxes (including but not limited to transfer taxes), costs of title insurance, property inspections, surveys, and draft documents, and otherwise convey the Property to Buyer. Buyer is only responsible for costs if sale closes.

16. Binding Effect. This Term Sheet is not intended to, and does not, constitute a binding or enforceable contract. Rather, this is a summary of terms by which Buyer and Seller agree to negotiate to agree upon the terms of a binding Purchase Agreement for the purchase and sale of the Property.

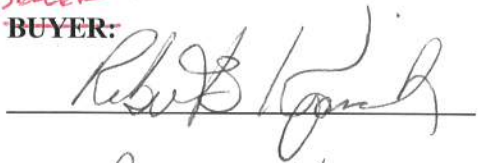
Dated as of \_\_\_\_\_, 2022.

~~SELLER~~ NT  
~~BUYER:~~



By: NICHOLAS TRIMNER  
Its: Price County Administrator

~~SELLER~~ NT  
~~BUYER:~~



By: ROBERT D. KOPISCH  
Its: Price County Board Chair

~~BUYER~~ NT  
~~SELLER:~~



By: Alexis Baratka  
Its: owner of Price County Productions Inc.

~~BUYER~~ NT  
~~SELLER:~~



By: DARIN BARATKA  
Its: VP Price Co. Productions



## EXHIBIT A

### **Legal Description of Property**

**Parcel 1:**

Government Lot One (1), Section Eight (8), Township Thirty-seven (37) North, Range One (1) East, City of Phillips, Price County, Wisconsin; **EXCEPT** that part lying South and West of Squaw Creek.

**Parcel 2:**

The Southwest Quarter of the Northwest Quarter (SW1/4-NW1/4) lying West of the Elk River, Section Eight (8), Township Thirty-seven (37) North, Range One (1) East, Town of Worcester, Price County, Wisconsin.

**Parcel 3:**

That part of the Southeast Quarter of the Northeast Quarter (SE1/4-NE1/4) lying East of Forest Lane and South of County Trunk Highway H, Section Seven (7), Township Thirty-seven (37) North, Range One (1) East, Town of Worcester, Price County, Wisconsin.

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**Exhibit B**

**List of Building Tenants and Occupied Buildings**

<u>Building Tenant</u>	<u>Occupied Building</u>
Antiques Association	Building A
Boy Scouts	Building B
Retired Teachers	Building C
 <u>Property Users</u>	
Fair Association	
4-H Program	

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