

CONTRACT FOR SALE OF GAHANNA SWIM CLUB
148 PARKLAND DRIVE, GAHANNA, OHIO 43230

Gahanna, Ohio, _____, 2008

1. The undersigned, CITY OF GAHANNA (hereinafter referred to as the "BUYER") and THE JEFFERSON LOCAL SCHOOL DISTRICT RECREATION COUNCIL (hereinafter referred to as the "SELLER"), hereby propose and agree to purchase and sell the business, chattels, real estate and SELLER's interest in the swimming facility known as "Gahanna Swim Club" located at 148 Parkland Drive, Gahanna, Ohio 43230 including the real estate with permanent parcel numbers, 025-000869, 025-000260, 025-000953, to wit:

SELLER agrees to sell, and BUYER agrees to buy, upon the terms and conditions hereinafter set forth, the business, real estate and assets (excepting any and all cash or currency on hand or future receivables due and owing to the SELLER) hereinafter specifically mentioned, free and clear of any and all encumbrances, liens and indebtedness of whatsoever nature for the total consideration equal to the principal balance on Seller's existing balloon mortgage to Fifth Third Bank on the date of closing plus the existing State of Ohio Sales Tax lien, but not to exceed the sum of Six Hundred Forty Five Thousand Dollars (\$645,000.00), on the following terms and conditions:

2. Chattels and merchandise are to be conveyed by Bill of Sale, free and clear of all encumbrances, liens and indebtedness of whatsoever nature, except as otherwise agreed to herein and in accordance with the inventory attached hereto and made a part hereof.

3. SELLER is to remain liable for all insurance disputes, legal liabilities, claims or disputes over accounts payable resulting from events, actions, inactions or services occurring prior to closing and specifically including said events occurring during or prior to the current summer swim season that commenced on Saturday May 24, 2008 and ending at the close of business on Monday September 1, 2008.

4. SELLER shall convey to BUYER marketable title in fee simple by

transferable and recordable general warranty deed, free and clear of all liens and encumbrances not excepted by this contract.

5. At closing, SELLER shall pay or credit on purchase price all taxes due and owing, including penalty and interest, all assessments which are a perfected lien as of the date of contract, and all agricultural use tax recoupments for years prior to the year of the closing.

6. SELLER warrants that no improvements or services (site or area) have been installed or furnished, or notification received from public authority, or owners' association of future improvements of which any part of the costs may be assessed against the real estate.

7. SELLER is to pay all taxes to the State of Ohio, and remain liable for any other taxes due, on or before the date of closing. SELLER to show proof of payment of all payroll amounts due on or before the closing date, any amounts withheld from payroll for taxes, insurance, etc., and payment of all Ohio Worker's Compensation, Ohio Job and Family Services and any and all other employer related payroll or other tax liabilities due or owing to any Federal, State or Local governing body on or before the closing date.

8. BUYER shall obtain and pay for an owner's title insurance commitment and policy in the amount of the purchase price. The title evidence shall be certified to within thirty (30) days prior to closing with endorsement not before 8:00 a.m. on the business day prior to the date of closing, all in accordance with the standards of the Columbus Bar Association, and shall show in SELLER marketable title in fee simple free and clear of all liens and encumbrances except: (a) those created by or assumed by BUYER; (b) those specifically set forth in this contract; (c) zoning ordinances; (d) legal highway and (e) covenants, restrictions, conditions and easements of record that do not unreasonably interfere with present lawful use.

9. If title to all or part of the real estate is unmarketable, as determined by

Ohio law with reference to the Ohio State Bar Association's Standards of Title Examination, or is subject to liens, encumbrances, easements, conditions, restrictions or encroachments other than those excepted in this contract, SELLER shall, within thirty (30) days after written notice thereof, remedy or remove any such defect, lien, encumbrance, easement, conditions, restriction or encroachment or obtain title insurance without exception thereof. At closing, SELLER shall sign an affidavit with respect to off-record title matters in accordance with the community custom.

10. Risk of physical loss to the real estate and improvements shall be borne by SELLER until closing, provided that if any property covered by this contract shall be substantially damaged or destroyed before this transaction is closed, BUYER may (a) proceed with the transaction and be entitled to all insurance money, if any, payable to SELLER under all policies covering the property, or (b) rescind the contract and thereby release all parties from liability hereunder by giving written notice to SELLER within ten (10) days after BUYER has written notice of such damage or destruction. Failure by BUYER to so notify SELLER shall constitute an election to proceed with the transaction.

11. BUYER has examined all property involved and, in making this offer, is relying solely upon such examination with reference to the condition, character and size of land and improvements and fixtures, if any. This contract constitutes the entire agreement and there are no representations, oral or written, which have not been incorporated herein. Time is of the essence of all provisions of this contract. All representations, covenants and warranties of the parties, contained in this Contract, shall survive the closing.

12. This contract shall be performed and this transaction closed on or before September 30, 2008 unless the parties agree in writing to an extension.

13. SELLER is entitled to possession through closing. At the time SELLER delivers possession, the property will be in the same condition as the date of acceptance of this contract, except as provided in the Damage or Destruction of Property paragraph, normal wear and tear excepted; and all debris and personal property not

included in this contract shall be removed by SELLER.

14. Any and all cash or currency on hand or in possession of the SELLER at closing or future receiveables due and owing to the SELLER after closing shall first be applied to payment of all outstanding bills and obligations due and owing from operation of the Gahanna Swim Club in 2008. All remaining cash or currency on hand or in possession of the SELLER at closing or future receiveables due and owing to the SELLER after closing shall be deposited with BUYER promptly after receipt.

15. Duration of Offer: This offer shall be open for acceptance through 5:00 P.M. ____ day of _____, 2008.

CITY OF GAHANNA, BUYER

By:

By:

By:

By:

Deed to: City of Gahanna

The undersigned agrees to and accepts the foregoing offer. SELLER acknowledges receipt of a copy of this contract this ____ day of _____, 2008.

JEFFERSON LOCAL SCHOOL DISTRICT
RECREATION COUNCIL, SELLER

By:

By: