

CONTRACT TO PURCHASE

This Contract is entered into this _____ day of _____, 2004, between The City of Mason, a municipal corporation, 6000 Mason-Montgomery Road, Mason, Ohio 45040 (hereinafter referred to as "Seller") and Hi-Five Development, Inc., an Ohio corporation, 209 South West Street, Mason, Ohio 45040 (hereinafter referred to as "Purchaser").

Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller all real property and improvements located at 202 West Main Street, Mason, Ohio 45040, identified as Sidwell #16362810160 (Property A) and 109 North East Street, Mason, Ohio 45040, identified as Sidwell #16362810090 (Property B) which totals 0.6848 acres of land, in the City of Mason, Warren County, Ohio. Purchaser intends to rehabilitate Property A and demolish Property B. Property A will be used for retail/office and/or restaurant use. Property B will be used for public parking.

The purchase and sale shall be completed on the following terms and conditions:

1. Price, Terms of Payment: The purchase price shall be \$200,000.00 for Property A and Property B. Purchaser shall pay the entire purchase price, in cash, at closing.
2. Investment Commitments: Purchaser agrees to redevelop the site in accordance with the Drawings and Specifications in Attachment A. Purchaser agrees to rehabilitate the exterior of the building to reestablish the original 1930's art deco style, and to prepare the interior to be developed to suit the future tenants' needs. Purchaser agrees not to demolish the structure known as the old Mason Municipal Building located at 202 West Main Street. Inasmuch as the proposed uses of Property A and Property B comply with the City of Mason Land Use Plan as well as the stated goals of the City relative to the revitalization of the downtown area, Seller agrees to cooperate with Purchaser in Purchaser's effort to rezone Property B from a residential zone (R-2) to a business zone (B-1) appropriate to retail/office and/or restaurant uses. It is understood that the Seller and Purchaser agree that rezoning Property B for parking will make Property A more compatible for a desirable tenant. Purchaser agrees to commence rezoning proceedings for Property B as soon as possible. If the rezoning is not permitted, then Purchaser shall be permitted to use Property B in accordance with its current zoning.
3. Lot Consolidation: If the rezoning is permitted, Purchaser shall perform a lot consolidation of Property A and Property B. This will accomplish the parties' shared goals of achieving the highest marketable and valuable uses for 202 West Main Street (Property A).
4. Time for Redevelopment: Purchaser acknowledges that one of Seller's main goals is that the Property be redeveloped promptly in order to encourage other development and redevelopment in downtown Mason. Purchaser agrees to redevelop the properties in accordance with the Drawings and Specifications in Attachment A

within 12 months of the date of closing. If Purchaser does not redevelop the property as specified, within 12 months of the date of closing, Seller shall have the right to repurchase the property for the \$200,000.00 purchase price plus the costs of improvements made by the Purchaser. The improvements costs must be properly documented and include material slips, and affidavits of payment of materials and labor hours. If Seller elects to so repurchase the property, Purchaser shall convey marketable title to the property by general warranty deed, in fee simple, free clear and unencumbered.

5. Right of First Refusal: Purchaser agrees that if it seeks to transfer title to Property A and/or Property B to any other entity, Seller shall have the right of first refusal to purchase Property A and/or Property B on the same terms as those upon which Purchaser would transfer such title to a prospective Buyer. Any agreement that Purchaser shall make to transfer such title shall specifically refer to, and be subject to, this Agreement. Seller shall have 30 days from the date of its receipt of written notice of Purchaser's intent to transfer title to exercise its right of first refusal, but shall endeavor to reduce that period as scheduled meetings of the Mason City Council may allow.
6. Parking Assistance: Seller agrees to cooperate with Purchaser to identify additional public parking in downtown Mason to attract a restaurant use. The Purchaser shall not be obligated to purchase additional land for parking but agrees to cooperate with the Seller to identify additional public parking.
7. Earnest Money: Purchaser shall deliver to Seller \$5,000.00 as earnest money upon Seller's execution of this Agreement ("Earnest Money"). The Earnest Money shall be applied to the purchase price, but shall be refunded to the Purchaser in the event this transaction does not close, other than as a result of a breach of this Agreement by Purchaser. In the event of a breach of this Agreement prior to closing by Purchaser, Seller shall retain the Earnest Money as liquidated damages arising from Purchaser's breach. Purchaser and Seller agree that in the event of a Purchaser's breach of this Agreement prior to closing, damages would be difficult to ascertain and Purchaser and Seller agree that the liquidated damages set forth herein are fair and reasonable.
8. Possession Following Closing: This transaction shall close by August 1, 2004. Purchaser shall be entitled to possession upon closing.
9. Removal of Items: Seller shall remove any and all items desired, including personal items and fixtures, from Property prior to possession.
10. Conveyance and Closing: Purchaser agrees to pay all conveyance and closing costs. Seller agrees to convey marketable title to the Property by general warranty deed, in fee simple, free, clear and unencumbered, on or before _____, 2004. Real estate taxes shall be prorated through the date of closing.

11. No Brokers: Purchaser and Seller represent to each other that there are no brokers involved in this transaction that may make a claim for a commission on the sale of the Property.
12. Seller Binding Effect: This contract shall be binding upon the heirs, successors and assigns of Purchaser and.
13. Non-Merger: All of the terms and provisions of this Contract shall survive the Closing and shall not merge with the Deed from Seller to Purchaser.
14. Entire Contract: This contract represents the entire agreement between the parties. Any modifications to this contract shall be in writing, signed by both Purchaser and Seller, and attached to this contract.

WITNESSES:

SELLER: City of Mason

 By: Scot Lahrmer, City Manager

WITNESSES:

PURCHASER: Hi-Five
 Development, Inc.

 By: Mark Davis,
 its _____

STATE OF OHIO)
) SS:
 COUNTY OF WARREN)

BE IT REMEMBERED that on this _____ day of _____, 2004, before me, the subscriber, a Notary Public in and for said County and State, personally came _____, and acknowledged the signing of the foregoing instrument, and that the same is his voluntary act and deed, as the authorized representative of Hi-Five Development, Inc.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name affixed my notarial seal on the day and year first above written.

 Notary Public

My Commission Expires: _____

STATE OF OHIO)
) SS:
COUNTY OF WARREN)

BE IT REMEMBERED that on this _____ day of _____, 2004, before me, the subscriber, a Notary Public in and for said County and State, personally came Scot F. Lahrmer, the City Manager of the City of Mason, who acknowledged that he did sign said instrument as such officer on behalf of said City and by authority of the City Council; that said instrument was signed as his free act and deed individually, and the free act and deed of said municipal corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name affixed my notarial seal on the day and year first above written.

Notary Public

My Commission Expires: _____