

RESOLUTION NO. 2003- 36

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, APPROVING THE CONTRACT FOR THE SALE AND PURCHASE OF REAL PROPERTY BETWEEN GRANDE HARBOR OCEAN CLUB, LTD., AS SELLER AND THE CITY OF MARATHON, FLORIDA, AS BUYER, AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO TAKE ALL STEPS NECESSARY AND EXPEND ALL APPROPRIATE FUNDS TO COMPLETE ALL INVESTIGATIONS CONTEMPLATED UNDER THE AGREEMENT; AUTHORIZING THE CITY MANAGER TO EXECUTE ANY ADDITIONAL DOCUMENTS PERTAINING TO THE AGREEMENT AND TAKE ALL ACTION NECESSARY TO CLOSE ON THE PURCHASE OF THE PROPERTY; FINDING AND DETERMINING THAT THE PROPERTY ACQUIRED BY THE CITY SHALL BE USED FOR MUNICIPAL OR PUBLIC PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Marathon, Florida (the "City") wishes to purchase a parcel of real property from Grande Harbor Ocean Club, Ltd. ("GHOC"); and

WHEREAS, the City has negotiated a Contract for the Sale and Purchase of real property by and between the City and GHOC; and

WHEREAS, the City intends to acquire the Property for public purposes, specifically for office space and park purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated into this resolution by this reference.

Section 2. The Contract for Sale and Purchase by and between the City and GHOC (the "Contract"), in the form attached hereto as Exhibit "A" together with such non-material changes as may be acceptable to the City Manager, and approved as to form and

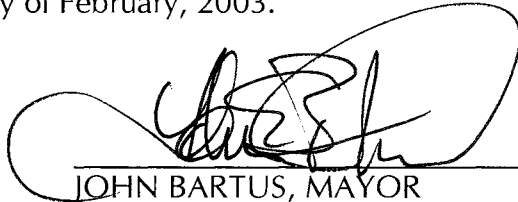
legality by the City Attorney, is approved. The Mayor is authorized on behalf of the City to execute and otherwise enter into the Contract.

Section 3. The City Manager and the City Attorney are authorized to take all steps necessary and expend all appropriate funds to complete all due diligence investigations contemplated under the Contract. The City Manager is authorized to execute additional documents pertaining to the Agreement including the closing documents, to take all action necessary to implement the terms and conditions of the Agreement, and to close on the purchase of the Property.

Section 4. The City Council finds and determines that the Property shall be held or used for public purposes, specifically for office space and park purposes.

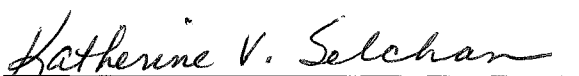
Section 5. This Resolution shall be effective immediately upon adoption.

PASSED AND ADOPTED this 4th day of February, 2003.



JOHN BARTUS, MAYOR

ATTEST:



CITY CLERK

APPROVED AS TO LEGAL SUFFICIENCY:



CITY ATTORNEY

MPLE
FAX COPY

THIS FORM HAS BEEN APPROVED BY THE
FLORIDA ASSOCIATION OF REALTORS® AND THE FLORIDA BAR
Contract For Sale And Purchase
FLORIDA ASSOCIATION OF REALTORS® AND THE FLORIDA BAR



1 PARTIES: Grande Harbor Ocean Club Ltd. ("Seller")
2 and City of Marathon ("Buyer")

3 hereby agree that Seller shall sell and Buyer shall buy the following described Real Property and Personal Property (collectively
4 "Property") pursuant to the terms and conditions of this Contract for Sale and Purchase and any riders and addenda ("Contract"):

5 I. DESCRIPTION:
6 (a) Legal description of the Real Property located in Monroe County, Florida: Lengthy metes & bounds,
7 Pl Lot 2 & Bay South & Adj Pt Gov Lot 2 RE #104490-000000 & RE #104398-000000, AT Key #1127097 & 112809,
8 comprising 9.89 ac. ±. at NW E3 between 97th & 98th St Ocean, US Hwy #1 to the Atlantic Ocean
9 (b) Street address, city, zip, of the Property: vacant land, Overseas Highway, Marathon 33050
10 (c) Personal Property includes existing range, refrigerator, dishwasher, ceiling fans, light fixtures, and window treatments unless
11 specifically excluded below.
12 Other items included are: vacant land to include surveys, vegetation studies & related work
13 products.
14 Items of Personal Property (and leased items, if any) excluded are: Transferable Development Rights (TDR's)
15 transferred to the site by Conditional Use Permit.

16 II. PURCHASE PRICE (U.S. currency): \$ 1,400,000.00

17 PAYMENT:
18 (a) Deposit held in escrow by ST (Escrow Agent) in the amount of \$
19 (b) Additional escrow deposit to be made to Escrow Agent within _____ days after Effective Date
20 (see Paragraph III) in the amount of \$
21 (c) Assumption of existing mortgage in good standing (see Paragraph IV(c)) having an approximate
22 present principal balance of \$
23 (d) New mortgage financing with a Lender (see Paragraph IV(b)) in the amount of \$
24 (e) Purchase money mortgage and note to Seller (See Paragraph IV(d)) in the amount of \$
25 (f) Other \$
26 (g) Balance to close by cash or LOCALLY DRAWN cashier's or official bank check(s), subject
27 to adjustments or prorations \$ 1,400,000.00

28 III. TIME FOR ACCEPTANCE OF OFFER AND COUNTEROFFERS; EFFECTIVE DATE:
29 (a) If this offer is not executed by and delivered to all parties OR FACT OF EXECUTION communicated in writing between the parties
30 on or before February 6, 2003 the deposit(s) will, at Buyer's option, be returned and this offer
31 withdrawn. UNLESS OTHERWISE STATED, THE TIME FOR ACCEPTANCE OF ANY COUNTEROFFERS SHALL BE 2 DAYS
32 FROM THE DATE THE COUNTEROFFER IS DELIVERED.
33 (b) The date of Contract ("Effective Date") will be the date when the last one of the Buyer and Seller has signed or initialed this offer
34 or the final counteroffer. If such date is not otherwise set forth in this Contract, then the "Effective Date" shall be the date determined
35 above for acceptance of this offer or, if applicable, the final counteroffer.

36 IV. FINANCING:
37 (a) This is a cash transaction with no contingencies for financing;
38 (b) This Contract is contingent on Buyer obtaining approval of a loan ("Loan Approval") within _____ days after Effective
39 Date for (CHECK ONLY ONE): a fixed; an adjustable; or a fixed or adjustable rate loan, in the principal amount
40 of \$ _____, at an initial interest rate not to exceed _____ %, discount and origination fees not
41 to exceed _____ % of principal amount, and for a term of _____ years. Buyer will make application within
42 _____ days (if blank, then 5 days) after Effective Date and use reasonable diligence to obtain Loan Approval and, thereafter,
43 to satisfy terms and conditions of the Loan Approval and close the loan. Buyer shall pay all loan expenses. If Buyer fails to obtain a
44 Loan Approval or fails to waive Buyer's rights under this subparagraph within the time for obtaining Loan Approval or, after diligent,
45 good faith effort, fails to meet the terms and conditions of the Loan Approval by Closing, then either party thereafter, by written
46 notice to the other, may cancel this Contract and Buyer shall be refunded the deposit(s);
47 (c) Assumption of existing mortgage (see rider for terms); or
48 (d) Seller financing (see Standard B and riders; addenda; or special clauses for terms).

49 V. TITLE EVIDENCE: At least 5 days (if blank, then 5 days) before Closing:
50 (a) Title insurance commitment with legible copies of instruments listed as exceptions attached thereto ("Title Commitment") and,
51 after Closing, an owner's policy of title insurance (see Standard A for terms); or (b) Abstract of title or other evidence of title (see
52 rider for terms), shall be obtained by (CHECK ONLY ONE): (1) Seller, at Seller's expense and delivered to Buyer or Buyer's
53 attorney; or (2) Buyer at Buyer's expense.

54 VI. CLOSING DATE: This transaction shall be closed and the closing documents delivered on March 15, 2003
55 ("Closing"), unless modified by other provisions of this Contract. If Buyer is unable to obtain Hazard, Wind, Flood, or Homeowners'
56 insurance at a reasonable rate due to extreme weather conditions, Buyer may delay Closing for up to 5 days after such coverage
57 becomes available.

58 VII. RESTRICTIONS; EASEMENTS; LIMITATIONS: Seller shall convey marketable title subject to: comprehensive land use plans,
59 zoning, restrictions, prohibitions and other requirements imposed by governmental authority, restrictions and matters appearing on
60 the plat or otherwise common to the subdivision; outstanding oil, gas and mineral rights of record without right of entry; unplatd
61 public utility easements of record (located contiguous to real property lines and not more than 10 feet in width as to the rear or
62 front lines and 7 1/2 feet in width as to the side lines); taxes for year of Closing and subsequent years; and assumed mortgages and

54 purchase money mortgages, if any (if additional items, see addendum); provided, that there exists at Closing no violation of the
55 foregoing and none prevent use of the Property for public parks & offices for City of Marathon purpose(s).

56
57 VIII. OCCUPANCY: Seller shall deliver occupancy of Property to Buyer at time of Closing unless otherwise stated herein. If Property is
58 intended to be rented or occupied beyond Closing, the fact and terms thereof and the tenant(s) or occupants shall be disclosed
59 pursuant to Standard F. If occupancy is to be delivered before Closing, Buyer assumes all risks of loss to Property from date of
60 occupancy, shall be responsible and liable for maintenance from that date, and shall be deemed to have accepted Property in its
61 existing condition as of time of taking occupancy.

62 IX. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions, riders and addenda shall control all
63 printed provisions of this Contract in conflict with them.

64 X. ASSIGNABILITY: (CHECK ONLY ONE): Buyer may assign and thereby be released from any further liability under this
65 Contract; may assign but not be released from liability under this Contract; or may not assign this Contract.

66 XI. DISCLOSURES:

67 (a) CHECK HERE if the Property is subject to a special assessment lien imposed by a public body payable in installments which
68 continue beyond Closing and, if so, specify who shall pay amounts due after Closing: Seller Buyer Other (see
69 addendum).

70 (b) Radon is a naturally occurring radioactive gas that when accumulated in a building in sufficient quantities may present health
71 risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in
72 buildings in Florida. Additional information regarding radon or radon testing may be obtained from your County Public Health unit.

73 (c) Buyer acknowledges receipt of the Florida Building Energy-Efficiency Rating System Brochure

74 (d) If the real property includes pre-1978 residential housing then a lead-based paint rider is mandatory.

75 (e) If Seller is a "foreign person" as defined by the Foreign Investment in Real Property Tax Act, the parties shall comply with that
76 Act.

77 (f) If Buyer will be obligated to be a member of a homeowners' association, BUYER SHOULD NOT EXECUTE THIS CONTRACT
78 UNTIL BUYER HAS RECEIVED AND READ THE HOMEOWNERS' ASSOCIATION DISCLOSURE.

79 XII. MAXIMUM REPAIR COSTS: Seller shall not be responsible for payments in excess of:

80 (a) \$ N/A for treatment and repair under Standard D (if blank, then 2% of the Purchase Price)

81 (b) \$ N/A for repair and replacement under Standard N not caused by Wood Destroying Organisms (if blank,
82 then 3% of the Purchase Price).

83 XIII. RIDERS; ADDENDA; SPECIAL CLAUSES:

84 CHECK those riders which are applicable AND are attached to this Contract:

85 CONDOMINIUM VA/FHA HOMEOWNERS' ASSN. LEAD-BASED PAINT

86 COASTAL CONSTRUCTION CONTROL LINE INSULATION "AS IS" Other Comprehensive Rider Provisions

87 Addenda

88 Special Clauses(s): This contract is expressly contingent upon the City obtaining a satisfactory

89 (at Buyer's sole discretion) updated Appraisal at Seller expense on or before March 1, 2003.

90 Buyer may cancel this contract for any reason at any time prior to March 12, 2003.

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104 XIV. STANDARDS FOR REAL ESTATE TRANSACTIONS ("Standards"): Buyer and Seller acknowledge receipt of a copy of
105 Standards A through W on the reverse side or attached, which are incorporated as part of this Contract.

106 THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN
107 ATTORNEY PRIOR TO SIGNING.

108 THIS FORM HAS BEEN APPROVED BY THE FLORIDA ASSOCIATION OF REALTORS® AND THE FLORIDA BAR
109 Approval does not constitute an opinion that any of the terms and conditions in this Contract should be accepted by the parties in a
110 particular transaction. Terms and conditions should be negotiated based upon the respective interests, objectives and bargaining
111 positions of all interested persons.

112 AN ASTERISK(*) FOLLOWING A LINE NUMBER IN THE THE MARGIN INDICATES THE LINE CONTAINS A BLANK TO BE
113 COMPLETED.

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118 (BUYER) City of Marathon (DATE) (SELLER) Grandes Harbor Ocean Club, Ltd 1/30/03 (DATE)

119 (BUYER) (DATE) (SELLER) (DATE)

120 Buyers' address for purposes of notice _____ Sellers' address for purposes of notice _____

121 _____ Phone _____ Phone _____

122 Deposit under Paragraph II (a) received (Checks are subject to clearance.): _____ (Escrow

123 Agent)

124 BROKERS: The brokers named below, including listing and cooperating brokers, are the only brokers entitled to compensation in
125 connection with this Contract:

126 Name: N/A Coldwell Banker Schmitt Real Estate Co.
127 Cooperating Brokers, if any Listing Broker

STANDARD FOR REAL ESTATE TRANSACTIONS

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33 A. TITLE INSURANCE: The Title Commitment shall be issued by a Florida licensed title insurer agreeing to issue Buyer, upon recording of
34 the deed to Buyer, an owner's policy of title insurance in the amount of the purchase price, insuring Buyer's marketable title to the Real
35 Property, subject only to matters contained in Paragraph VII and those to be discharged by Seller at or before Closing. Marketable title shall be
36 determined according to applicable Title Standards adopted by authority of The Florida Bar and in accordance with law. Buyer shall have 5
37 days from date of receiving the Title Commitment to examine it, and if title is found defective, notify Seller in writing specifying defect(s) which
38 render title unmarketable. Seller shall have 30 days from receipt of notice to remove the defects, failing which Buyer shall, within 5 days after
39 expiration of the 30 day period, deliver written notice to Seller either: (1) extending the time for a reasonable period not to exceed 120 days
40 within which Seller shall use diligent effort to remove the defects; or (2) requesting a refund of deposit(s) paid which shall be returned to Buyer.
41 If Buyer fails to so notify Seller, Buyer shall be deemed to have accepted the title as it then is. Seller shall, if title is found unmarketable, use
42 diligent effort to correct defect(s) within the time provided. If Seller is unable to timely correct the defects, Buyer shall either waive the defects,
43 or receive a refund of deposit(s), thereby releasing Buyer and Seller from all further obligations under this Contract. If Seller is to provide the
44 Title Commitment and it is delivered to Buyer less than 5 days prior to Closing, Buyer may extend Closing so that Buyer shall have up to 5 days
45 from date of receipt to examine same in accordance with this Standard.

46 B. PURCHASE MONEY MORTGAGE; SECURITY AGREEMENT TO SELLER: A purchase money mortgage and mortgage note to Seller
47 shall provide for a 30 day grace period in the event of default if a first mortgage and a 15 day grace period if a second or lesser mortgage; shall
48 provide for right of prepayment in whole or in part without penalty; shall permit acceleration in event of transfer of the Real Property; shall
49 require all prior liens and encumbrances to be kept in good standing; shall forbid modifications of, or future advances under, prior mortgage(s);
50 shall require Buyer to maintain policies of insurance containing a standard mortgagee clause covering all improvements located on the Real
51 Property against fire and all perils included within the term "extended coverage endorsements" and such other risks and perils as Seller may
52 reasonably require, in an amount equal to their highest insurable value; and the mortgage, note and security agreement shall be otherwise in
53 form and content required by Seller, but Seller may only require clauses and coverage customarily found in mortgages, mortgage notes and
54 security agreements generally utilized by savings and loan institutions or state or national banks located in the county wherein the Real
55 Property is located. All Personal Property and leases being conveyed or assigned will, at Seller's option, be subject to the lien of a security
56 agreement evidenced by recorded or filed financing statements or certificates of title. If a balloon mortgage, the final payment will exceed the
57 periodic payments thereon.

58 C. SURVEY: Buyer, at Buyer's expense, within time allowed to deliver evidence of title and to examine same, may have the Real Property
59 surveyed and certified by a registered Florida surveyor. If the survey discloses encroachments on the Real Property or that improvements
60 located thereon encroach on setback lines, easements, lands of others or violate any restrictions, Contract covenants or applicable
61 governmental regulations, the same shall constitute a title defect.

62 D. WOOD DESTROYING ORGANISMS: Buyer, at Buyer's expense, may have the Property inspected by a Florida Certified Pest Control
63 Operator ("Operator") at least 10 days prior to Closing to determine if there is any viable active Wood Destroying Organism infestation or
64 visible damage from Wood Destroying Organism infestation, excluding termites, if either or both are found. Buyer may, within 5 days from date
65 of written notice thereof, have cost of treatment of active infestation estimated by the Operator and all damage inspected and estimated by an
66 appropriately licensed contractor. Seller shall pay costs of treatment and repair of all damage up to the amount provided in Paragraph XII(a). If
67 estimated costs exceed that amount, Buyer shall have the option of canceling this Contract within 5 days after receipt of contractor's repair
68 estimate by giving written notice to Seller, or Buyer may elect to proceed with the transaction and receive a credit at Closing on the amount
69 provided in Paragraph XII(a). "Wood Destroying Organisms" shall be deemed to include all wood destroying organisms required to be reported
70 under the Florida Pest Control Act, as amended.

71 E. INGRESS AND EGRESS: Seller warrants and represents that there is ingress and egress to the Real Property sufficient for its intended
72 use as described in Paragraph VII hereof, and title to the Real Property is insurable in accordance with Standard A without exception for lack of
73 legal right of access.

74 F. LEASES: Seller shall, at least 10 days before Closing, furnish to Buyer copies of all written leases and estoppel letters from each tenant
75 specifying the nature and duration of the tenant's occupancy, rental rates, advanced rent and security deposits paid by tenant. If Seller is
76 unable to obtain such letter from each tenant, the same information shall be furnished by Seller to Buyer within that time period in the form of a
77 Seller's affidavit, and Buyer may thereafter contact tenant to confirm such information. If the terms of the leases differ materially from Seller's
78 representations, Buyer may terminate this Contract by delivering written notice to Seller at least 5 days prior to Closing. Seller shall, at Closing,
79 deliver and assign all original leases to Buyer.

80 G. LIENS: Seller shall furnish to Buyer at time of Closing an affidavit attesting to the absence, unless otherwise provided for herein, of any
81 financing statement, claims of lien or potential liens known to Seller and further attesting that there have been no improvements or repairs to
82 the Real Property for 90 days immediately preceding date of Closing. If the Real Property has been improved or repaired within that time, Seller
83 shall deliver releases or waivers of construction liens executed by all general contractors, subcontractors, suppliers and materialmen in addition
84 to Seller's lien affidavit setting forth the names of all such general contractors, subcontractors, suppliers and materialmen, further affirming that
85 all charges for improvements or repairs which could serve as a basis for a construction lien or a claim for damages have been paid or will be
86 paid at the Closing of this Contract.

87 H. PLACE OF CLOSING: Closing shall be held in the county wherein the Real Property is located at the office of the attorney or other closing
88 agent ("Closing Agent") designated by the party paying for title insurance, or, if no title insurance, designated by Seller.

89 I. TIME: In computing time periods of less than six (6) days, Saturdays, Sundays and state or national legal holidays shall be excluded. Any
90 time periods provided for herein which shall end on a Saturday, Sunday, or a legal holiday shall extend to 5 p.m. of the next business day.
91 Time is of the essence in this Contract.

92 J. CLOSING DOCUMENTS: Seller shall furnish the deed, bill of sale, certificate of title, construction lien affidavit, owner's possession
93 affidavit, assignments of leases, tenant and mortgagee estoppel letters and connective instruments. Buyer shall furnish mortgage, mortgage
94 note, security agreement and financing statements.

95 K. EXPENSES: Documentary stamps on the deed and recording of corrective instruments shall be paid by Seller. Documentary stamps and
96 intangible tax on the purchase money mortgage and any mortgage assumed, mortgagee title insurance commitment with related fees, and
97 recording of purchase money mortgage to Seller, deed and financing statements shall be paid by Buyer. Unless otherwise provided by law or
98 rider to this Contract, charges for the following related title services, namely title evidence, title examination, and closing fee (including
99 preparation of closing statement), shall be paid by the party responsible for furnishing the title evidence in accordance with Paragraph V.

100 L. PRORATIONS; CREDITS: Taxes, assessments, rent, interest, insurance and other expenses of the Property shall be prorated through the
101 day before Closing. Buyer shall have the option of taking over existing policies of insurance, if assumable, in which event premiums shall be
102 prorated. Cash at Closing shall be increased or decreased as may be required by prorations to be made through day prior to Closing, or
103 occupancy, if occupancy occurs before Closing. Advance rent and security deposits will be credited to Buyer. Escrow deposits held by
104 mortgagee will be credited to Seller. Taxes shall be prorated based on the current year's tax with due allowance made for maximum
105 allowable discount, homestead and other exemptions. If Closing occurs at a date when the current year's millage is not fixed and current year's
106 assessment is available, taxes will be prorated based upon such assessment and prior year's millage. If current year's assessment is not available, then
107 taxes will be prorated on prior year's tax. If there are completed improvements on the Real Property by January 1st of year of Closing, which
108 improvements were not in existence on January 1st of prior year, then taxes shall be prorated based upon prior year's millage and an equitable
109 assessment to be agreed upon between the parties; failing which, request shall be made to the County Property Appraiser for an informal assessment
110 taking into account available exemptions. A tax proration based on an estimate shall, at request of either party, be readjusted upon receipt of tax bill on
111 condition that a statement to that effect is signed at Closing.

STANDARD FOR REAL ESTATE TRANSACTIONS (Continued)

13 M. SPECIAL ASSESSMENT LIENS: Except as set forth in Paragraph XI(a), certified, confirmed and ratified special assessment liens
 14 imposed by public bodies as of Closing are to be paid by Seller. Pending liens as of Closing shall be assumed by Buyer. If the improvement has been
 15 substantially completed as of Effective Date, any pending lien shall be considered certified, confirmed or ratified and Seller shall, at Closing, be
 16 charged an amount equal to the last estimate or assessment for the improvement by the public body.

17 N. INSPECTION, REPAIR AND MAINTENANCE: Seller warrants that the ceiling, roof (including the fascia and soffits) and exterior and
 18 interior walls, foundation, seawalls (or equivalent) and dockage of the Property do not have any visible evidence of leaks, water damage or
 19 structural damage and that the septic tank, pool, all appliances, mechanical items, heating, cooling, electrical, plumbing systems and
 20 machinery are in Working Condition. The foregoing warranty shall be limited to the items specified unless otherwise provided in an addendum.
 21 Buyer may inspect, or, at Buyer's expense, have a firm or individual specializing in home inspections and holding an occupational license for
 22 such purpose (if required) or an appropriately licensed Florida contractor make inspections of, those items within 20 days after the Effective
 23 Date. Buyer shall, prior to Buyer's occupancy but not more than 20 days after Effective Date, report in writing to Seller such items that do not
 24 meet the above standards as to defects. Unless Buyer timely reports such defects, Buyer shall be deemed to have waived Seller's warranties
 25 as to defects not reported. If repairs or replacements are required to comply with this Standard, Seller shall cause them to be made and shall
 26 pay up to the amount provided in Paragraph XII (b). Seller is not required to make repairs or replacements of a Cosmetic Condition unless
 27 caused by a defect Seller is responsible to repair or replace. If the cost for such repair or replacement exceeds the amount provided in
 28 Paragraph XII (b), Buyer or Seller may elect to pay such excess, failing which either party may cancel this Contract. If Seller is unable to correct
 29 the defects prior to Closing, the cost thereof shall be paid into escrow at Closing. Seller shall, upon reasonable notice, provide utilities service
 30 and access to the Property for inspections, including a walk-through prior to Closing, to confirm that all items of Personal Property are on the
 31 Real Property and, subject to the foregoing, that all required repairs and replacements have been made and that the Property, including, but
 32 not limited to, lawn, shrubbery and pool, if any, has been maintained in the condition existing as of Effective Date, ordinary wear and tear
 33 excepted. For purposes of this Contract: (1) "Working Condition" means operating in the manner in which the item was designed to operate; (2)
 34 "Cosmetic Condition" means aesthetic imperfections that do not affect the Working Condition of the item, including, but not limited to: pitted
 35 marbles or other pool finishes; missing or torn screens; fogged windows; tears, worn spots, or discoloration of floor coverings, wallpaper, or
 36 window treatments; nail holes, scratches, dents, scrapes, chips or caulking in ceilings, walls, flooring, fixtures, or mirrors; and minor cracks in
 37 floors, tiles, windows, driveways, sidewalks, or pool decks; and (3) cracked roof tiles, curling or worn shingles, or limited roof life shall not be
 38 considered defects Seller must repair or replace, so long as there is no evidence of actual leaks or leakage or structural damage, but missing
 39 tiles will be Seller's responsibility to replace or repair.

40 O. RISK OF LOSS: If the Property is damaged by fire or other casualty before Closing and cost of restoration does not exceed 3% of the
 41 assessed valuation of the Property so damaged, cost of restoration shall be an obligation of Seller and Closing shall proceed pursuant to the
 42 terms of this Contract with restoration costs escrowed at Closing. If the cost of restoration exceeds 3% of the assessed valuation of the
 43 Property so damaged, Buyer shall either take the Property as is, together with either the 3% or any insurance proceeds payable by virtue of
 44 such loss or damage, or receive a refund of deposit(s), thereby releasing Buyer and Seller from all further obligations under this Contract.

45 P. CLOSING PROCEDURE: The deed shall be recorded upon clearance of funds. If the title agent insures adverse matters pursuant to
 46 Section 627.7841, F.S., as amended, the escrow and closing procedure required by this Standard shall be waived. Unless waived as set forth
 47 above the following closing procedures shall apply: (1) all closing proceeds shall be held in escrow by the Closing Agent for a period of not
 48 more than 5 days after Closing; (2) if Seller's title is rendered unmarketable, through no fault of Buyer, Buyer shall, within the 5 day period,
 49 notify Seller in writing of the defect and Seller shall have 30 days from date of receipt of such notification to cure the defect; (3) if Seller fails to
 50 timely cure the defect, all deposits and closing funds shall, upon written demand by Buyer and within 5 days after demand, be returned to
 51 Buyer and, simultaneously with such repayment, Buyer shall return the Personal Property, vacate the Real Property and reconvey the Property
 52 to Seller by special warranty deed and bill of sale; and (4) if Buyer fails to make timely demand for refund, Buyer shall take title as is, waiving all
 53 rights against Seller as to any intervening defect except as may be available to Buyer by virtue of warranties contained in the deed or bill of
 54 sale.

55 Q. ESCROW: Any Closing Agent or escrow agent ("Agent") receiving funds or equivalent is authorized and agrees by acceptance of them to
 56 deposit them promptly, hold same in escrow and, subject to clearance, disburse them in accordance with terms and conditions of this Contract.
 57 Failure of funds to clear shall not excuse Buyer's performance. If in doubt as to Agent's duties or liabilities under the provisions of this Contract,
 58 Agent may, at Agent's option, continue to hold the subject matter of the escrow until the parties hereto agree to its disbursement or until a
 59 judgment of a court of competent jurisdiction shall determine the rights of the parties, or Agent may deposit same with the clerk of the circuit
 60 court having jurisdiction of the dispute. An attorney who represents a party and also acts as Agent may represent such party in such action.
 61 Upon notifying all parties concerned of such action, all liability on the part of Agent shall fully terminate, except to the extent of accounting for
 62 any items previously delivered out of escrow. If a licensed real estate broker, Agent will comply with provisions of Chapter 475, F.S., as
 63 amended. Any suit between Buyer and Seller wherein Agent is made a party because of acting as Agent hereunder, or in any suit wherein
 64 Agent interpleads the subject matter of the escrow, Agent shall recover reasonable attorney's fees and costs incurred with these amounts to be
 65 paid from and out of the escrowed funds or equivalent and charged and awarded as court costs in favor of the prevailing party. The Agent shall
 66 not be liable to any party or person for misdelivery to Buyer or Seller of items subject to the escrow, unless such misdelivery is due to willful
 67 breach of the provisions of this Contract or gross negligence of Agent.

68 R. ATTORNEY'S FEES; COSTS: In any litigation, including breach, enforcement or interpretation, arising out of this Contract, the prevailing
 69 party in such litigation, which, for purposes of this Standard, shall include Seller, Buyer and any brokers acting in agency or nonagency
 70 relationships authorized by Chapter 475, F.S., as amended, shall be entitled to recover from the non-prevailing party reasonable attorney's
 71 fees, costs and expenses.

72 S. FAILURE OF PERFORMANCE: If Buyer fails to perform this Contract within the time specified, including payment of all deposits, the
 73 deposit(s) paid by Buyer and deposit(s) agreed to be paid, may be recovered and retained by and for the account of Seller as agreed upon
 74 liquidated damages, consideration for the execution of this Contract and in full settlement of any claims; whereupon, Buyer and Seller shall be
 75 relieved of all obligations under this Contract; or Seller, at Seller's option, may proceed in equity to enforce Seller's rights under this Contract. If
 76 for any reason other than failure of Seller to make Seller's title marketable after diligent effort, Seller fails, neglects or refuses to perform this
 77 Contract, Buyer may seek specific performance or elect to receive the return of Buyer's deposit(s) without thereby waiving any action for
 78 damages resulting from Seller's breach.

79 T. CONTRACT NOT RECORDABLE; PERSONS BOUND; NOTICE; FACSIMILE: Neither this Contract nor any notice of it shall be recorded
 80 in any public records. This Contract shall bind and inure to the benefit of the parties and their successors in interest. Whenever the context
 81 permits, singular shall include plural and one gender shall include all. Notice and delivery given by or to the attorney or broker representing any
 82 party shall be as effective as if given by or to that party. All notices must be in writing and may be made by mail, personal delivery or electronic
 83 media. A legible facsimile copy of this Contract and any signatures hereon shall be considered for all purposes as an original.

84 U. CONVEYANCE: Seller shall convey marketable title to the Real Property by statutory warranty, trustee's, personal representative's or
 85 guardian's deed, as appropriate to the status of Seller, subject only to matters contained in Paragraph VII and those otherwise accepted by
 86 Buyer. Personal Property shall, at the request of Buyer, be transferred by an absolute bill of sale with warranty of title, subject only to such
 87 matters as may be otherwise provided for herein.

88 V. OTHER AGREEMENTS: No prior or present agreements or representations shall be binding upon Buyer or Seller unless included in this
 89 Contract. No modification to or change in this Contract shall be valid or binding upon the parties unless in writing and executed by the parties
 90 intended to be bound by it.

91 W. WARRANTY: Seller warrants that there are no facts known to Seller materially affecting the value of the Property which are not readily
 92 observable by Buyer or which have not been disclosed to Buyer.

**ADDENDUM TO
CONTRACT FOR SALE AND PURCHASE**

THIS ADDENDUM TO CONTRACT FOR SALE AND PURCHASE (the "Addendum") is entered into this 19 day of March, 2003, by and between **GRANDE HARBOR OCEAN CLUB, LTD.**, a Florida limited partnership (the "Seller") and the **CITY OF MARATHON**, a Florida municipal corporation (the "Buyer").

RECITALS:

1. On February 4, 2003, Seller and Buyer entered into that certain Contract for Sale and Purchase (the "Contract") concerning real property located in Marathon, Florida, and as further described in the Contract.

2. The parties have agreed to enter into this Addendum to modify certain terms and conditions of the Contract.

NOW, THEREFORE, in consideration of the property and of the mutual covenants contained herein and the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller agree as follows:

1. **Recitals.** The above recitals are true and correct and hereby incorporated herein by reference.

2. **Addendum Controls.** In the event of any conflict between the terms of the Contract and the terms of this Addendum, the terms of this Addendum shall control.

3. **This Contract.** All references herein to "this Contract" shall include Addendum of the Contract.

4. **Closing Date.** The closing date as described in Section VI of the Contract is hereby extended to April 30, 2003.

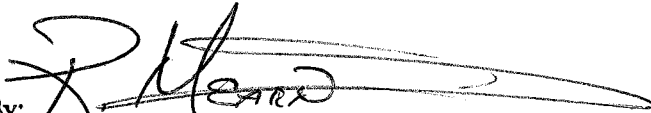
5. **Ratification.** Except as set forth in this Addendum, the Contract remains unmodified and in full force and effect and all the terms and conditions set forth in the Contract are ratified by the parties.

6. **Counterparts.** This Addendum may be executed in one of more counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument. A facsimile copy of this Addendum and any other signatures hereon shall be considered for all purposes as originals.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed as of the day and year set forth below.

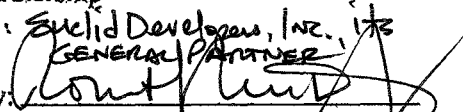
BUYER:

CITY OF MARATHON,
a Florida municipal corporation


By: 
RANDY MEARNs , MAYOR

SELLER:


GRANDE HARBOR OCEAN
CLUB, LTD., a Florida limited
partnership

By: 
Name: ROBERT D. REICH, JR.
Its: PRESIDENT

ATTEST:

By: 
City Clerk

APPROVED AS TO LEGAL
FORM AND SUFFICIENCY:

By: 
City Attorney