

Revised October 2012

THIS FORM HAS BEEN APPROVED BY THE KENTUCKY REAL ESTATE COMMISSION.

(THIS IS A LEGALLY BINDING CONTRACT. IF YOU DO NOT FULLY UNDERSTAND THE TERMS OF THIS CONTRACT, CONTACT AN ATTORNEY.)

(Note that all changes to this contract must be initialed, dated, and timed to comply with state license law.)

## PURCHASE AND SALE CONTRACT FOR LOTS AND VACANT LAND

This PURCHASE AND SALE CONTRACT ("Contract") is being entered into on \_\_\_\_\_, 20\_\_\_\_ (date), as by and between \_\_\_\_\_, (hereinafter referred to as the "Buyer(s)"), and \_\_\_\_\_, (hereinafter referred to as the "Seller(s)").

1. **PROPERTY.** The property which is the subject matter of this offer is described as follows:

\_\_\_\_\_  
\_\_\_\_\_,  
County, Kentucky, and having a street address of \_\_\_\_\_.

2. **PURCHASE PRICE.** (I) (we) offer/will take, for the above property and upon the conditions above named, the purchase price of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) payable as follows:

\$ \_\_\_\_\_ Contract Deposit

\$ \_\_\_\_\_ Additional cash on closing

\$ \_\_\_\_\_ Cash by obtaining mortgage (2A)

\$ \_\_\_\_\_ Assumption of existing mortgage (2B)

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_ TOTAL PURCHASE PRICE

\_\_\_\_\_ (a) The balance of the purchase price in the amount of \$ \_\_\_\_\_ shall be paid in cash on delivery of deed.

\_\_\_\_\_ (b) This contract is contingent upon Buyer obtaining a loan upon the following terms and conditions unless payment is specified as all cash: A (fixed) (adjustable) \_\_\_\_\_ loan to be amortized over \_\_\_\_\_ years, with maximum interest of \_\_\_\_\_ % per annum, monthly

payments of interest and principal of approximately \$\_\_\_\_\_, for a total monthly payment of \$\_\_\_\_\_.

Down payment shall be rendered at closing by cash, cashier's check or certified check, and shall be made payable to Buyer, to be endorsed at closing to closing attorney. Buyer and Seller shall each pay their own costs as common to Kentucky legal practice unless specified differently here:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. **RECORDING COSTS, MORTGAGE TAX, TRANSFER TAX AND CLOSING ADJUSTMENTS.** Seller will pay the real property transfer tax and special additional mortgage recording tax, if applicable. Buyer will pay mortgage assumption charges, if any, and will pay for recording the deed and the mortgage, and for the mortgage tax. The following, as applicable, will be prorated and adjusted between Seller and Buyer as of the date of closing, excluding any delinquent items, interest and penalties: current taxes computed on a fiscal year basis, rent payments, fuel oil on the property, water charges, pure water charges, sewer charges, mortgage interest, current common charges or assessments. If there is a water meter at the property, Seller shall furnish an actual reading to a date not more than 5 days before the closing date set forth in the contract. At closing the water charges and any sewer rent shall be apportioned on the basis of such actual reading.

4. **DEPOSIT.** Buyer \_\_\_\_ has deposited \_\_\_\_ will deposit within two (2) calendar days of acceptance \$\_\_\_\_\_ in the form of a \_\_\_\_\_ with \_\_\_\_\_ (Escrow Agent) at \_\_\_\_\_ (bank), which deposit is to become part of the purchase price or returned if not accepted or if this contract thereafter fails to close for any reason not the fault of the Buyer. If Buyer fails to complete Buyer's part of this contract, Seller is allowed to retain the deposit to be applied to Seller's damages, and may also pursue other legal rights Seller has against the Buyer, including but not limited to a lawsuit for any real estate brokerage commission paid by the Seller.

5. **CLOSING DATE.** Transfer of title shall take place on or before the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

6. **COVENANT AND RESTRICTIONS.** Buyer understands and agrees to be bound by the ( ) proposed or ( ) recorded covenants, conditions and restrictions pertaining to the subject property, including, if applicable, the requirement of submission of site plans and construction plans for approval by developer prior to any construction.

( ) Buyer has received and reviewed the subdivision restrictions and/or covenants governing the use of this property.

7. **INSPECTIONS.** Buyer shall, within \_\_\_\_\_ days of the execution of this contract by Seller, have the right of reasonable access to the Property to conduct such tests and

surveys, including, but not limited to, environmental assessments and percolation tests as may be necessary for Buyer's intended use of the property, leaving the property in a pre-inspection condition.

Buyer shall notify Seller in writing within \_\_\_\_ days after completion of Inspection period if the property is not suitable for the intended use, at which time the contract may be voided by Buyer, with earnest money being refunded to Buyer, and Buyer and Seller shall sign a mutual release. Failure to notify the Seller in writing constitutes Buyer's acceptance of the property in its "As-Is" condition.

If at the time of the execution of this contract, a final plat has not been recorded, then with \_\_\_\_ days after a final plat is recorded, Buyer shall have the right to re-inspect the property for the sole purpose of ascertaining that size and dimensions of said lot(s) has not changed so as to interfere with Buyer's intended use of the property.

The buyer shall have permission to enter the property for the purpose of conducting percolation, engineering, and subsurface tests. If any such tests are unsatisfactory to Buyer in the sole discretion of the buyer, then the Buyer shall have the option of canceling this contract by written notice to Seller without further liability on the part of either party. Buyer shall make such determination within \_\_\_\_ days of acceptance, otherwise this contingency is waived. Buyer shall restore the ground to the same condition as found.

\_\_\_\_ Environmental Audit/State Survey. This offer is subject to an environmental audit or state survey at the Buyer's expense, within 45 days of acceptance satisfactory in the Buyer's sole discretion.

**8. MARKETABILITY OF TITLE.** The deed and other documents by Seller shall be sufficient to convey good marketable title to the property in fee simple, free and clear of all liens and encumbrances. However, Buyer agrees to accept title to the property subject to restrictive covenants of record common to the tract or subdivision of which the property is a party, provided these restrictions have not been violated, or if they have been violated, that the time for anyone to complain of the violations has expired. Buyer also agrees to accept title to the property subject to public utility easements along lot lines as long as those easements do not interfere with any building now on the property or with any improvements Buyer may construct in compliance with all present restrictive covenants of record and zoning and building codes applicable to the property. Seller agrees to furnish any documents required by federal or state laws for the transfer of title to the property.

**9. OBJECTIONS TO TITLE.** If Buyer raises a valid written objection to Seller's title which indicates that the title to the property is unmarketable, Seller may cancel this contract by giving prompt written notice of cancellation to Buyer and Buyer's deposit shall be returned. However, if Seller is able to cure the title objection on or before the closing date, or if the title objection is insurable and Buyer is willing to accept insurable title, then this contract shall continue in force until the closing date, subject to the Seller

curing the title objection and/or providing insurable title at Seller's expense. If Seller fails to cure the title objection on or before the closing date, or, if Buyer is unwilling to accept insurable title, Buyer may cancel this contract by giving prompt written notice of cancellation to Seller and Buyer's deposit shall be returned.

10. **ZONING.** Seller represents that the property is zoned as follows \_\_\_\_\_.

11. **FLOODPLAIN DISCLOSURE.** Seller states the property is / is not (*circle one*) in a designated floodplain.

12. **SERVICES.** Seller represents that the following services are available at the property line:

\_\_\_ Public Sewers \_\_\_ Public Water \_\_\_ Natural Gas \_\_\_ Electric Service  
\_\_\_ Cable T.V. \_\_\_ Telephone \_\_\_ Other: \_\_\_\_\_

13. **APPLICABLE LAW.** The contract shall be interpreted according to the laws of the Commonwealth of Kentucky.

14. **MEDIATION/ARBITRATION.** This clause is optional. It is effective if both parties initial below it.

The parties agree to resolve any disputes arising under this agreement first through mediation and, if unsuccessful, through arbitration taking place in the state of Kentucky. Any disputes within the jurisdiction of the Small Claims Court (\$1,500 or lower) will be handled by that court.

Buyers' Initials

\_\_\_\_\_  
\_\_\_\_\_

Sellers' Initials

\_\_\_\_\_  
\_\_\_\_\_

15. **POSSESSION.** Possession shall be delivered with the transfer of deed at the closing.

16. **ENTIRE CONTRACT.** This contract contains the entire agreement of the parties pertaining to its subject matter. No oral agreements or promises will be binding.

17. **NOTICES.** All notices under this contract shall be in writing and deemed delivered upon receipt.

18. **EXPIRATION OF OFFER.** This offer shall expire on \_\_\_\_\_,  
20\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

Buyer: \_\_\_\_\_ Buyer: \_\_\_\_\_

Dated: \_\_\_\_\_ Dated: \_\_\_\_\_

Time of Signing: \_\_\_\_\_ a.m/p.m. Time of Signing: \_\_\_\_\_ a.m/p.m.

Witness: \_\_\_\_\_

\_\_\_\_ **ACCEPTANCE OF OFFER BY SELLER**

Seller certifies that Seller owns the property and has the power to sell the property. Seller accepts the offer and agrees to sell on the terms and conditions above set forth.

\_\_\_\_ **COUNTER-OFFER BY SELLER**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Seller: \_\_\_\_\_ Seller: \_\_\_\_\_

Dated: \_\_\_\_\_ Dated: \_\_\_\_\_

Time of Signing: \_\_\_\_\_ a.m/p.m. Time of Signing: \_\_\_\_\_ a.m/p.m.

Witness: \_\_\_\_\_