

**BLUEGRASS COMMONS CONDOMINIUMS**  
REAL ESTATE SALES CONTRACT

Date: \_\_\_\_\_

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

Seller: University Real Estate and Development Co.  
155 Virginia Avenue, Unit No \_\_\_\_\_, Lexington, KY  
(859) 253-0800

Property Address: 145, 155 and 165 Virginia Avenue, Unit No \_\_\_\_\_, Lexington, Kentucky

For and in consideration of the mutual premises herein contained, the Seller agrees to sell and the Buyer agrees to purchase a portion of real property located at 161 Virginia Avenue, Lexington, Kentucky,

**1. PURCHASE PRICE:** \$ \_\_\_\_\_, Buyer agrees to pay Seller the sum of the Purchase Price, in cash adjusted (i) by a credit for the Earnest Money, and (ii) to include payment of closing costs and expenses, fees due the Association, prorations and any other amount due Seller by Buyer agreed to by the parties in writing subsequent to the date of this agreement.

**2. PROPERTY.** Unit No: \_\_\_\_\_, BLUEGRASS COMMONS CONDOMINIUMS, a proposed condominium project to be constructed according to the final plans and renderings, on property located at or about 161 Virginia Avenue, Lexington, Fayette County Kentucky (the "Property"). The Property will consist of a condominium unit within the Bluegrass Commons Condominiums to be declared by Seller in accordance with KRS 381.805 to 381.910 as amended and conveyance of title to the property to buyer shall be subject to and include as covenants running with the title to the property as binding obligations upon Buyer certain restrictions, terms, conditions, and provisions a Master Deed, Bylaws and other documents relating to Bluegrass Commons Condominiums (collectively herein the "Condominium Documents"). The Seller intends to record the Condominium Documents with the Court Clerk of Fayette County, Kentucky, in the future. Buyer acknowledges reviewing a specimen of the proposed Condominium Documents prior to execution of this Agreement. Seller reserves the exclusive right to modify, change or amend the Condominium Documents in any manner Seller deems appropriate and necessary at the sole discretion of Seller prior to closing the sale transaction contemplated by this Agreement.

**1. EARNEST MONEY AND DEFAULT.** As evidence of good faith to bind this contract, an earnest money deposit of Five Thousand Dollars (\$5,000.00) is deposited with Bluegrass Condominiums. Said earnest money shall be credited to Buyer at time of closing. In the event of default by Seller, said earnest money shall be returned to Buyer, and Buyer may pursue available legal remedies, including, but not limited to, specific performance. In the event of default by Buyer, Seller may retain said earnest money as liquidated damages and/or may pursue available legal remedies. The parties acknowledge and agree that if Earnest Money is deposited with a real estate broker other than the Seller, the release of said Earnest Money shall be released pursuant to KRS 324.111.

**2. FINANCING CONTINGENCY.** Buyer's purchase and performance is contingent on Buyer obtaining a loan to finance the purchase in the maximum amount of \$ \_\_\_\_\_ over a term of no more than \_\_\_\_\_ years. Seller shall notify Buyer of Closing Date sixty (60) days prior to the anticipated Closing Date by mailing Buyer a notice of Closing Date. Buyer shall have thirty (30) days from receipt of the Notice of Closing Date to remove all financing contingencies. Buyer may cancel this Agreement by furnishing written proof to Seller not later than thirty (30) days from execution of this contract that Buyer is unable to reasonably obtain the above required financing despite the best and good faith efforts of Buyer, in which event the Earnest Money shall be refunded by Seller to Buyer. Time is deemed to be of the essence to the removal of this financing contingency. In the event Buyer fails to notify Seller in writing that the financing contingency has been removed, Seller, at its sole discretion, may elect to either: 1) cancel this Agreement and retain the Earnest Money as liquidated damages; or 2) proceed to Closing with Buyer under the assumption that Buyer has removed all financing contingencies, and Seller shall be entitled to specific performance, in addition to any other legal remedy, in the event Buyer fails to perform its obligations under this Agreement.

**3. PRORATIONS.** All real estate property taxes, assessments rents and association fees shall be prorated as of the date of closing.

**4. RISK OF LOSS.** All risk of loss shall remain with Seller until closing. Seller agrees to maintain adequate insurance until the date of closing. In the event of fire or other casualty loss that is less than 50% percent of the purchase price, Seller may make necessary repairs and the Buyer shall close the transaction. Buyer is not required to close until such repairs are completed in a workmanlike manner. In the event repairs exceed said amount, Buyer may elect either to continue this contract or to terminate it, with both parties signing a mutual release and the Buyer's earnest money deposit being returned.

**5. CLOSING and POSSESSION.** Closing shall be upon completion of construction of the Unit and issuance of a certificate of occupancy ("Certificate of Occupancy") by the Lexington Fayette Urban County Government. Possession of the Unit shall be granted at closing of the sale transaction. The Date for closing is tentatively set for \_\_\_\_\_ (the "Tentative Closing Date"). Seller will exercise commercially reasonable efforts in good faith to cause construction of the Unit to be completed on or before the Tentative Closing Date. In the event the Seller is unable to complete construction of the Unit and obtain a Certificate of Occupancy on or before the Tentative Closing Date, the term of this Agreement shall be extended automatically through and until \_\_\_\_\_ (the "Extended Term") to permit Seller an opportunity to complete construction and obtain issuance of the Certificate of Occupancy. If Seller is unable to deliver the completed Unit and Certificate of Occupancy as of the expiration of the Extended Term, this Agreement shall terminate, Buyer and Seller shall be excused from completing the sale transaction, and the Seller shall refund immediately to Buyer the earnest money without either party having liability for any damages or a right to demand specific performance.

**6. INSPECTIONS AND CONDITION OF PROPERTY.** (a) SELLER'S WARRANTY. Seller warrants that the improvements on the property are or will be free from material structural defects as of the date of closing. This warranty is in lieu of all other warranties from Seller, expressed or implied, of any nature or type whatsoever. Seller shall assign all manufacturer's warranties, if any, applicable to equipment or appliances within the Unit to Buyer at closing. (b) FINAL INSPECTIONS. Buyer is eligible to inspect the Property at any time prior to closing during normal business hours by making an appointment with the Seller. Buyer may obtain, at Buyer's expense; an inspection of the Property by any qualified and licensed third party which must be completed evaluated and removed as a contingency of this Agreement by Buyer within seven (7) days prior to the date of Closing.

**7. TITLE AND POSSESSION.** Seller agrees to deliver to Buyer at closing a General Warranty Deed conveying marketable title to the Property, subject to the covenants, restrictions, easements, terms, conditions and provisions of the condominium Documents of Bluegrass Commons Condominiums. Buyer may purchase, at Buyer's expense, Owner's title insurance for the Property. Possession shall transfer with execution of Deed of Conveyance

**8. CANCELLATION.** In addition to any other provision in this agreement regarding cancellation: (a) CANCELLATION BY SELLER. If SELLER does not construct or complete Bluegrass Commons Condominiums and does not record the Condominium Documents with the Fayette County Court Clerk for any cause whatsoever, Seller may terminate this Agreement unilaterally by returning the Earnest Money to Buyer, in which event the parties shall be excused from their respective unperformed obligations under this Agreement without liability for damages or the right to demand specific performance. Additionally, if Buyer fails to perform any obligation or duty of Buyer under the provisions of this agreement including those of good faith and due diligence, Seller may terminate this Agreement and retain the Earnest Money.

CANCELLATION BY BUYER. Buyer may cancel this Agreement, in which event Seller shall refund only the Earnest Money to Buyer as full liquidated damages, if (1) Seller is unable to commence or complete construction, (2) the improvements on the Property are substantially destroyed and cannot be reconstructed before closing, (3) Seller is unable to deliver marketable title to the Property herein described, or (4) Seller fails to perform a material obligation or duty of Seller under the provisions of this Agreement for any reason beyond the reasonable control of Seller. Buyer agrees to sign a receipt and release of this Agreement in the event the Earnest Money is refunded.

9. **CONTRACT DAMAGES.** Seller and Buyer agree to affirm that contract damages shall be and the same are limited to a refund of the Buyer's earnest money deposit to Buyer of the retention of the earnest money deposit by Seller. Any settlement of this Agreement other than by a closing of the contract of sale shall be evidenced only by a written settlement agreement signed by both the Seller and Buyer.

10. **MISCELLANEOUS.** This Agreement is subject to the following additional terms: (1) time is of the essence; (2) paragraph titles or captions are for convenience only; (3) this Agreement contains the entire understanding between the Seller and Buyer, and there are not any prior or contemporaneous written or oral agreements pertaining to the subject matter of this Agreement; (4) this Agreement shall be governed by and construed under the laws of the State of Kentucky; (5) if any provision is held invalid, the other provisions shall remain unaffected, valid, and enforceable as though the invalid portion is not part of this agreement, and said remaining provisions shall be construed so as to give effect to the original intentions of the parties as expressed in this Agreement; (6) this Agreement may be amended only in writing signed by both the Seller and the Buyer; (7) this Agreement may not be assigned without the non-assigning party's written consent; (8) singular references included plural where appropriate; (9) this Agreement is binding on the parties, their respective successors, assigns, heirs, executors, and personal representatives; (10) if any provision of this Agreement must be performed after closing, that provision shall survive Closing; (11) if any party resorts to litigation to enforce this Agreement, the prevailing party shall be entitled to reimbursement of litigation costs and reasonable fees attorney fees from the other party; and (12) the party demanding satisfaction of a contingency shall, upon request, execute a release when that contingency is satisfied in full.

11. **MODIFICATIONS, ALTERATIONS AND CHANGES TO MASTER PLAN AND DEVELOPMENT IMPROVEMENTS.** For and in consideration of Seller agreeing to sell the Property to Buyer, Buyer acknowledges and agrees that Seller reserves the right and prerogative to modify, change, and alter the scheme, plan and style of development to fit the topographical, engineering and contingencies of the site, consumer demand, availability, and market for the units with in the property regime of Bluegrass Commons Condominiums without the prior consent of Buyer as long as proposed modifications, changes and alterations are consistent with the continuity of the Bluegrass Commons Condominiums; provided that any final decision as to any proposed modifications, changes and alterations shall be within the sole discretion and prerogative of the Seller, Seller's successors, assigns, attorney, agents. Seller further reserves the discretion and prerogative to substitute materials of a similar kind, type and style for inclusion in the construction and completion of any respective Unit within the Property as long as such substitution does not effect an increase in pricing to the Buyer to which Buyer has not agrees in writing. Seller modifications change and alterations can occur without notice to prospective purchasers or Buyer. Buyer understands that Seller reserves the right to substitute, modify or change the brand, make, model or manufacturer of the appliance, equipment, and fixtures without prior approval of Buyer as long as the substitution, modification or change does not increase the Purchase Price and the function thereof is comparable with the original specification.

**ADDITIONAL TERMS.** A. Buyer warrants that Buyer has not engaged or employed any real estate agent or broker to assist Buyer in this transaction, and that no commissions or fees shall be due from seller to any third party for real estate agency or brokerage services.

THE TRANSACTION CONTEMPLATED IN THIS AGREEMENT WILL NOT BE REGISTERED UNDER ANY FEDERAL OR STATE LAW OR REGULATION APPLICABLE TO INVESTMENT OR LAND SALES. BUYER ACKNOWLEDGES, COVENANTS, REPRESENTS AND WARRANTS TO THE SELLER THAT, IN THE EVENT BUYER IS NOT ACQUIRING THE PROPERTY FOR BUYER'S PERSONAL, HOUSEHOLD OR FAMILY USE, THE PROPERTY MAY BE AN ILLIQUID INVESTMENT, THERE MAY BE NO PRESENT MARKET FOR THE RESALE OF THE UNIT, AND NO RATE OF APPRECIATION OR RETURN OF OR ON BUYER'S INVESTMENT HAS BEEN PROMISED OR SHALL BE ANTICIPATED.

SELLER BELIEVES THAT THE CONDOMINIUM DEVELOPMENT DESCRIBED IN THIS AGREEMENT IS EXEMPT FROM REGISTRATION UNDER THE INTERSTATE LAND SALES FULL DISCLOSURE ACT (15 USC 1701). THE CONTRACT RIGHTS VESTED IN BUYER PURSUANT TO THE PROVISIONS OF THIS AGREEMENT ARE NOT ASSIGNABLE OR OTHERWISE TRANSFERABLE BY THE BUYER. THE CONTRACT RIGHTS HEREUNDER ARE NOT MARKETABLE AND HAVE NO VALUE. THE REAL PROPERTY HEREIN DESCRIBED IS INCOMPLETE CONSTRUCTION. THIS AGREEMENT CONSTITUTES A PRE-SALE OF UNCOMPLETED IMPROVEMENTS TO REAL PROPERTY, WHEN ACCEPTED THIS AGREEMENT BECOMES A LEGAL CONTRACT.

The parties have read this sales contract fully and understand the contents thereof. They acknowledge that they have been advised to seek legal counsel before signing it, and acknowledge that they understand that this is a legally binding contract. Neither the Seller or the Buyer are relying on oral representations by each other or the real estate agents involved in the transaction.

**BUYER(S):**

\_\_\_\_\_  
(Signature of Buyer)

\_\_\_\_\_  
(Signature of Buyer)

**SELLER:**

**University Real Estate and Development Co.**

By: \_\_\_\_\_  
**Bob Latimer**  
**Its: Chief Manager**