

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE (hereinafter, "Agreement") is made and entered into this ____ day of _____, 2023, by and between MERCER COUNTY BOARD OF EDUCATION, (hereinafter, "Seller" or "Seller"); and the CITY OF HARRODSBURG, KENTUCKY, a municipal corporation, E. Factory Street, Harrodsburg, KY 40330 (hereinafter, "Purchaser" or "Purchaser").

WHEREAS Seller desires to sell, and Purchaser desires to purchase, the real property and improvements located thereon as hereinafter more particularly described, upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including payment of the purchase price in consideration for conveyance of the premises as described below, the parties hereby agree as follows:

(A) Sale and purchase of premises

Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase and take from Seller, that certain parcel of real estate located in Mercer County, Kentucky, legally described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"), together with all improvements and structures located thereon.

(B) Purchase price

The cash purchase price ("purchase price") shall be One Hundred Thousand dollars (\$100,000.00), payable in certified funds at the closing as described below.

(C) Closing

The closing of the sale and purchase of the premises shall occur on or before the ____ day of _____, 202____, at the option of Purchaser, established by written notice from Purchaser to Seller, delivered not fewer than ten (10) business days prior to the proposed closing, which closing shall be at the offices of Sheehan, Barnett, Dean, Pennington, Dexter & Tucker, PSC, 114 S. Fourth Street, Danville, Kentucky.

At and as of the closing, subject to the contemporaneous performance by Purchaser of its obligations set forth below, Seller shall:

(1) Convey the property to Purchaser by deed of general warranty, free and clear of all liens and encumbrances except for easements, restrictions, and other matters of record in the Mercer County Clerk's office and governmental laws and regulations (including zoning regulations) affecting the property.

(2) Assign to Purchaser all rights of Seller under the terms of any applicable contracts, agreements, and leases with respect to the premises.

(3) Deliver possession of the premises at and as of the time of recording the deed.

(4) At and as of the closing, subject to the contemporaneous performance by Seller of its obligations set forth above, Purchaser shall deliver to Seller the purchase price, in the manner set forth in section (B) above.

(D) Good faith deposit

As evidence of good faith, Purchaser is depositing with Sheehan, Barnett, Dean, Pennington, Dexter & Tucker, PSC, to be held in a noninterest bearing escrow account the sum of Five Thousand Dollars (\$5,000.00) (the "deposit") (being the same consideration for the exercise of the Agreement between the parties): (1) to be applied to the purchase price at the time of closing; (2) to be refunded to Purchaser, without interest, should any of the "Purchaser's contingencies" described below not be satisfied at or prior to the time of closing; or (3) to be forfeited to Seller should Purchaser fail to close for any other reason.

(E) Apportionments; responsibility for other expenses

(1) Real estate taxes and assessments

All real estate taxes, assessments, and impositions relating to the premises shall be prorated on a calendar year basis to the date of closing.

(2) Transfer tax and recording fees

Seller shall pay the transfer tax imposed on the transfer of the premises to Purchaser. Purchaser shall pay all recording fees imposed for recording the deed.

(3) Utilities and expenses; income

All utilities and other operating expenses associated with the premises shall be borne by Seller through the close of business on the date of closing and shall be assumed by Purchaser, effective as of the opening of business on the day following the date of closing. All income from the premises shall be the property of Seller through the close of business on the date of closing, and all income thereafter shall belong to Purchaser. Neither party shall accelerate or delay any item of income or expense to the disadvantage of the other, it being understood that Seller shall continue to operate the premises in the ordinary course until closing, and that Purchaser shall assume responsibility for such operation from and after the closing. Any deposit held by any utility company shall be refunded to Seller at closing.

(4) Title insurance

Purchaser shall be responsible for obtaining and paying for any policy of title insurance desired to be obtained by it.

(5) Legal and other fees and expenses

Each party shall bear its own legal fees and other expenses associated with this transaction.

(F) Contracts, leases, and agreements

Seller hereby warrants to Purchaser that no contracts, leases, and other agreements (collectively referred to as the "agreements") associated with the premises exist.

(G) Brokerage fees and commissions

Except for the Seller's engagement with Sheehan, Barnett, Dean, Pennington, Dexter & Tucker, PSC, each of Seller and Purchaser represents and warrants to the other that it has not engaged or dealt with any real estate agent or broker with respect to the transactions contemplated by this agreement. Seller shall be solely responsible for and shall pay any other real estate commission or brokerage fee which may be payable because of its actions and shall indemnify and hold Purchaser wholly harmless from and against all claims, damages, and causes of action (including reasonable attorney fees and expenses) resulting therefrom. Purchaser shall be solely responsible for and shall pay any real estate commission which may be payable because of its actions and shall indemnify and hold Seller wholly harmless from and against all claims, damages, and causes of action (including reasonable attorney fees and expenses) resulting therefrom.

(H) Representations and warranties by Seller

Seller hereby makes the following representations and warranties to Purchaser, which representations and warranties shall be deemed continuing in nature and shall survive the closing and the conveyance of the property for a period of one (1) year:

(1) Seller is a corporation duly organized, validly existing, and in good standing under the laws of the Commonwealth of Kentucky and authorized to do business in the Commonwealth of Kentucky, having full power to enter into this agreement and to consummate the transactions provided for herein. This agreement does not conflict with any provisions of the Articles of Incorporation or bylaws of the Seller or any contract, agreement, or commitment to which Seller is a party.

(2) The execution, delivery, and performance of this agreement have been duly authorized by all necessary action on the part of the board of directors of Seller. No further action of the Board of Directors of Seller is required to give effect to this agreement or to permit Seller to carry out the transactions contemplated hereby. At or prior to the closing, Seller shall deliver to Purchaser certified copies of resolutions of the Board of Directors, authorizing the transactions contemplated hereby.

(3) This agreement constitutes the legally valid and binding obligation of Seller, enforceable in accordance with its terms.

(4) Neither the entering into of this agreement nor the consummation of the transactions contemplated hereby will constitute a violation or breach by Seller of any contract, instrument, or other agreement to which it is a party or to which it is subject, or any judgment, order, writ, injunction, or decree issued against or imposed upon it, or will result in any violation of applicable law, order, rule, or regulation of any governmental authority.

(5) Seller has received no notice of, and to the best knowledge of Seller there are no, pending or threatened condemnation or similar proceedings of any nature whatsoever affecting the property or any portion thereof or that any such proceeding is contemplated.

(6) Seller owns the property free and clear of any and all liens or encumbrances, and shall deliver to Purchaser, at the closing, a deed of general warranty with respect to the property, free and clear of any and all liens, encumbrances, restrictions, and stipulations except for easements, restrictions, and other matters of record in the Mercer County Clerk's office and governmental laws and regulations (including zoning regulations) affecting the property.

(7) Neither Seller nor, to the best knowledge of Seller, any other party has ever caused or permitted any "hazardous material" (as hereinafter defined) to be placed, held, located, or disposed of on, under, or at the premises or any part thereof, and neither the premises nor any part thereof has ever been used as a dump or storage site (whether permanent or temporary) for any hazardous material. As used herein, "hazardous material" means and includes any hazardous, toxic, or dangerous waste, substance, or material, defined as such in, or for purposes of, the Comprehensive Environmental Response, Compensation and Liability Act (42 USCA 9601 et seq., as amended) or any other "superfund" or "superlien" law, or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any substance or material, as presently in effect. To the best knowledge of Seller, the premises does not contain any underground fuel storage tanks. Seller hereby agrees to indemnify Purchaser and hold Purchaser harmless from and against any and all loss, liability, damage, injury, cost, or expense (including reasonable attorney fees and expenses) and claims of any and every kind whatsoever, paid, incurred, or suffered by, or asserted against the Purchaser for, with respect to, or as a direct or indirect result of a breach of this warranty, such indemnification being unlimited in duration, notwithstanding any other provision of this agreement to the contrary.

(8) The current use of the subject property fully complies with all applicable codes and other applicable laws, regulations, and ordinances, including, without limitation, applicable zoning and land use laws, regulations, and ordinances.

(9) There are no unpaid claims of contractors, materialmen, or laborers that could give rise to a lien against the property.

(10) The premises comply in all material respects with all applicable occupational safety and health laws, regulations, and ordinances, whether federal, state, or local.

(I) Representations, warranties, and acknowledgement by Purchaser

Purchaser makes the following representations and warranties to Seller:

(1) Purchaser is The City of Harrodsburg organized under the laws of the Commonwealth of Kentucky, having full power and authority to enter into and perform this agreement.

(2) The execution, delivery, and performance of this agreement have been duly authorized by the Board of Education of the Mercer County Schools, and no further action of the Board of Education to give effect to this agreement or to permit Purchaser to carry out the transactions contemplated hereby, except as noted herein.

(3) This agreement constitutes the legally valid and binding obligation of the Purchaser, enforceable in accordance with its terms.

(4) Neither the entering into of this agreement nor the consummation of the transactions contemplated hereby will constitute a violation or breach by Purchaser of any contract, instrument, or other agreement to which it is a party or to which it is subject, or any judgment, order, writ, injunction, or decree issued against or imposed upon it, or will result in any violation of applicable law, order, rule, or regulation of any governmental authority.

(J) Closing contingencies

The obligations of the parties to close the transactions contemplated hereby shall be subject to the following contingencies:

(1) Contingencies to Seller's obligation to close

The Seller shall be under no obligation to close this transaction unless the following conditions shall have been satisfied, or waived by Seller, in writing, at or prior to the time of closing:

(a) Purchaser shall have tendered the purchase price in immediately available funds as provided in section B above, as of the date and time of closing.

(b) All of Purchaser's representations and warranties shall remain true and correct as of the date of closing.

(c) Purchaser shall have performed its other obligations under this agreement.

(2) Contingencies to Purchaser's obligation to close

Purchaser shall be under no obligation to close this transaction unless the following conditions shall have been satisfied or waived by Purchaser, in writing, at or prior to the time of closing:

(a) Seller shall have complied with its obligations under the terms of this agreement and shall have tendered a general warranty deed for the property, free and clear of all liens and encumbrances, except for easements, restrictions, and other matters of record in the Mercer County Clerk's office and governmental laws and regulations (including zoning regulations) affecting the property.

(b) Purchaser shall have fifteen (15) days from the date of this agreement within which to examine title to the property and to obtain a commitment for an owner's policy of title insurance from a title insurance company authorized to transact business in Kentucky, and such examination and commitment shall not disclose any liens, encumbrances, or adverse conditions to title, except conditions which Purchaser is willing to accept (or, in the case of mortgage liens, those which Seller commits to remove at or prior to closing). Unless the Purchaser notifies the Seller in writing on or before the 15th day from the date of this agreement that title is unsatisfactory, this contingency shall be deemed to have been waived. In the event the Purchaser shall notify Seller, as provided in the preceding sentence, that title is unsatisfactory, Seller shall have thirty (30) days to correct the unsatisfactory conditions of title, at its sole cost and expense. If Seller is unable to do so after using its best efforts to correct such deficiencies, then, upon written notice from Seller to Purchaser of its failure to do so, this agreement shall be null and void, unless Purchaser shall elect to waive such title deficiencies as Seller has been unable to correct, and Seller shall forthwith return (or cause to be returned) the deposit to Purchaser.

(c) Purchaser shall have thirty (30) days from the date of this agreement to conduct a physical inspection of the premises including all wiring, plumbing, HVAC and other systems, foundation, roof, structural and other components, and such inspection shall not have disclosed any condition which is unsatisfactory to Purchaser. In conducting such inspections, Purchaser agrees not to unreasonably interfere with the operation of the premises, to cooperate with the reasonable requirements of Seller, including those relating to the confidentiality of such inspections and of this agreement, and all such inspections shall be arranged, in advance, between Seller and Purchaser. Unless the Purchaser notifies the Seller in writing on or before the 30th day from the date of this agreement that the physical inspection has disclosed matters which are unsatisfactory to the Purchaser, this contingency shall be deemed to have been waived. In the event Purchaser shall notify Seller that the physical inspection has disclosed matters which are unsatisfactory to Purchaser, this agreement shall be null and void, and Seller shall forthwith return (or cause to be returned) the deposit to Purchaser.

(d) Purchaser shall have forty-five (45) days from the date of this agreement to conduct, or cause to be conducted, an environmental audit of the premises (including, but not limited to, tests for radon, lead paint, and asbestos), and such inspection shall not have disclosed any condition which is unsatisfactory to Purchaser. In conducting such environmental audit, Purchaser agrees that neither it, nor its environmental consultant, shall unreasonably interfere with the operation of the premises, each of them shall cooperate with the reasonable requirements of Seller, including requirements relating to the confidentiality of such environmental audit, and such environmental audit shall be arranged, in advance, between Seller and Purchaser. Unless the Purchaser notifies the Seller in writing on or before the 45th day from the date of this agreement that the environmental audit has disclosed matters which are unsatisfactory to Purchaser, this contingency shall be deemed to have been waived. In the event

Purchaser shall notify Seller that the environmental audit has disclosed matters which are unsatisfactory to Purchaser, this agreement shall be null and void, and Seller shall forthwith return (or cause to be returned) the deposit to Purchaser.

(e) Purchaser shall have forty-five (45) days from the date of this agreement to obtain a current ALTA survey with respect to the premises, sufficient in detail to permit deletion of the survey exception from any owner's policy of title insurance desired by Purchaser. The cost of such survey shall be borne by Purchaser. The Purchaser shall have ten (10) days from the date of receipt of such survey to examine the same. Unless the Purchaser notifies the Seller in writing, on or before the fifty-fifth (55th) day from the date of this Agreement that the survey discloses matters which are unsatisfactory to Purchaser, this contingency shall be deemed to have been waived. In the event Purchaser shall notify Seller, as provided in the preceding sentence, that the survey discloses matters which are unsatisfactory, this agreement shall be null and void, and Seller shall forthwith return (or cause to be returned) the deposit to Purchaser.

(f) All of Seller's representations and warranties shall remain true and correct as of the date of closing.

(g) There shall exist no condemnation or other proceedings, or other litigation or administrative proceedings of any nature with respect to the premises as of the date of closing, nor shall any such proceedings be threatened.

(h) There shall not exist any materially adverse change in the state of title to the property or in the physical condition of the premises from the state of title and the physical condition that exist on the date of this agreement.

(i) The amendment of the Purchaser's District Facilities Plan to include the sale of the subject property, in accordance with applicable Kentucky statutes and administration regulations.

(j) The approval of this contract and the subsequent conveyance of the property by the Kentucky Department of Education's District Facilities Branch in accordance with 702 KAR 4:050 and other applicable law.

(k) The execution of this contract by the Chairperson of the Board of Education of the Mer County Schools after approval of this contract by the Board of Education of the Mercer County Schools in open session.

If Purchaser is unable, despite its reasonable efforts, to satisfy any of these contingencies, Purchaser shall be entitled to declare this Agreement null and void (by delivering written notice to Seller) and receive an immediate refund of its earnest money deposit.

(K) Risk of loss; insurable interest

Until the time of recording of the deed, the risk of loss with respect to the premises shall continue to be borne by Seller, but Purchaser shall have an insurable interest in the premises.

(L) Condemnation; other proceedings

In the event of any condemnation or similar proceedings being threatened or instituted during the term of this agreement, Purchaser shall have the option (1) to elect to close under this agreement, to pay the purchase price for the premises, and to receive the condemnation proceeds or (2) to elect to terminate this agreement, recover the deposit, and have no further obligation to Seller hereunder.

(M) Purchaser's access to the property prior to closing

The Purchaser may, prior to the closing, through its employees, representatives, attorneys, accountants, or agents, make such further inspection of the property which Purchaser deems necessary or desirable. Purchaser shall have the right to have one or more surveys of the property completed and to make soil tests and other tests of the property provided that no such activities by Purchaser or its representatives shall interfere with the normal operation of the property by Seller or its lessee.

(N) Operation of the premises from and after the date of this agreement

From and after the date of this agreement, the Seller shall be entitled to continue to operate the premises in the ordinary course and in the manner in which it has historically operated the premises. Seller hereby agrees that it shall not enter into any new lease or contract with respect to the premises nor shall it materially change the use of the premises without the prior written consent of Purchaser or enter into any agreement to modify or amend any existing lease or contract without the prior written consent of Purchaser. The Seller shall not accept any rent more than one month in advance of the date when due, except as set forth in the terms of any lease with respect to the premises and disclosed in writing to Purchaser.

(O) Miscellaneous provisions

(1) This agreement, together with any exhibits and schedules hereto, which are deemed to be incorporated by reference as if fully set forth at length herein, constitutes the entire written understanding of the parties and supersedes all oral and written understandings of the parties, all of which are deemed to be merged herein. This agreement may not be modified or amended except in writing, signed by each of the parties hereto, or their permitted successors or assigns.

(2) This agreement may not be assigned by either party without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

(3) This agreement and the obligations of the parties hereunder shall be governed in all respects by the laws of the Commonwealth of Kentucky.

(4) When either Purchaser or Seller desires or is required to give notice to the other in connection with and according to the terms of this agreement, such notices shall be addressed as follows:

To Seller:

Jason Booher, Superintendent
Mercer County Schools
530 Perryville Street
Harrodsburg, Kentucky 40330

To Purchaser:

Sam Carr, Mayor
City of Harrodsburg
208 South Main Street
Harrodsburg, Kentucky 40330

With a copy not constituting notice to:

J. Hadden Dean
Sheehan, Barnett, Dean,
Pennington, Dexter & Tucker, PSC
114 S. Fourth Street
Danville, Kentucky 40422
Counsel for Seller

With a copy not constituting notice to:

Norrie Currens
Currens Law Office
122 Mooreland Avenue
Harrodsburg, Kentucky 40330
Counsel for Purchaser

Such notice shall be deemed to have been given when personally delivered or, if delivery is by certified or registered mail, postage paid, 24 hours after deposit thereof in the United States mails.

(Q) Further documentation

The parties believe that they have identified all documentation necessary to consummate the transactions contemplated by this agreement. In the event, however, that other and further documents, consistent with the terms of this agreement, are necessary to consummate the transactions contemplated hereby, each of Seller and Purchaser commits to use its best efforts to provide such documentation as soon as practicable, with the intention that the transactions contemplated hereby shall be completed on or prior to the closing.

(R) Default and remedies

In the event of any material default hereunder, the parties shall have the following remedies:

(1) In the event of a default by Purchaser, Seller shall have the right to retain the deposit, to terminate this agreement, and to seek such other remedies to which it might be entitled at law or in equity, including but not limited to specific performance.

(2) In the event of a default by Seller, Purchaser shall have the right to obtain a decree of specific performance to require conveyance of the premises to Purchaser in accordance with the terms of this agreement, or to recover the deposit and terminate this agreement, and to seek such other remedies to which it might be entitled at law or in equity.

(S) Effectiveness of agreement

This agreement shall be effective as of the date first set forth above regardless of the date and time of execution by Seller and Purchaser.

BOARD OF EDUCATION OF THE
MERCER COUNTY SCHOOLS
Seller

BY: _____
RANDY PHILLIPS
CHAIRPERSON

CITY OF HARRODSBURG
Purchaser

BY: _____
SAM CARR
MAYOR

EXHIBIT A

BEING all of Lot No. 2 containing 6.549 acres, more or less, according to survey prepared by Larry Wesley, RLS# 3220 dated February 22, 2001, shown as to location and dimensions on a plat identified as Plat of Survey for John Landrum, of record in Deed Book 282, Page 160, Mercer County Clerk's Office.

BEING the same real property conveyed to Board of Education of the Mercer County School District by deed dated March 16, 2017 and of record in Deed Book 353, Page 74, Mercer County Clerk's Office.