



## Trade Policy

### Eligibility and Contract Process

- Any home with an estimated market value of approximately \$180,000 or under in the Central Kentucky area will be considered. This program is not offered in the Louisville area division except in a case where the potential trade property is located in the Lexington/Central Kentucky area.
- Ball Homes will consider taking a Buyer's current home in trade when they contract to purchase a new Ball Home. Interested buyers may make application by paying a \$125 non-refundable application fee, which will enable an initial assessment of the potential trade home by a Milestone agent on behalf of Ball Homes to assess the property's probable market value, condition, and eligibility.
- If the property is determined to be eligible, Ball Homes will make an offer for the property based on 93% of the estimated market value provided by the initial assessment. If an agreement is reached with the owner, a trade contract will be executed.
- Any accepted trade contract is subject to a satisfactory termite inspection and a satisfactory home inspection by a third party professional, at no additional cost to the homeowner.
- Ball Homes will not pay a commission on the purchase of the trade home. The buyer must be free from any listing obligation on the home at the time the trade offer is accepted as a backup contract, or must be willing to work out such an obligation directly with the listing agent.
- The spread, or difference, between the original contract price (base price, any applicable lot premium, plus major structural options, not interior finish or electrical upgrades) of the new home and the estimated market value of the traded home as determined by the initial assessment must be at least \$50,000. For example, to trade in a home with an estimated market value of \$130,000, the new home being purchased must have a base price of at least \$180,000. On specs, the spread is calculated from the total selling price of the spec. The spread may not be reduced as the result of deleting options or other credits.
- When the Trade is used on a spec or Quick Move Home, only full price offers on the Ball home are appropriate.

### How the Process Works with the Purchase of a New Ball Home

- The buyer is notified of the trade option at the time of their original contract and will need to decide at the time of contract whether or not to accept a backup contract to exercise the trade option. Such contracts would be considered contingent on closing only, allowing construction to proceed.
- If accepted, the trade option should be agreed to and written up as a backup contract on a contract provided by Ball Homes at the same time that the Ball Homes contract is accepted.
- **The buyer will have the option continue to market their property as they see fit with the backup contract in place.** However, a closing would not be unreasonably delayed to allow a buyer to replace the backup offer with another contract on the contingency home.
- An informal final walk-through to verify property condition has not changed will be required prior to closing on the trade home.
- Both closings would occur simultaneously, enabling the Buyer to remain in their current home until closing and to have up to 48 hours to vacate the property upon closing.