

EXHIBIT "A"

PRELIMINARY
TERMS & CONDITIONS OF AUCTION
"Highland Cove Condominiums"
7100 Dale Ridge Road
Lancaster, DeKalb County, Tennessee
May 15, 2010

These "Terms and Conditions of Auction" shall be attached to and become a part of the Purchase and Sale Agreement (the "Agreement"). The Purchase and Sale Agreement, as supplemented by these Terms and Conditions of Auction, shall supersede and prevail over any other printed or oral statements and any other agreement between the Buyer and Seller.

The National Auction Group, Inc. ("Auction Company/Auctioneer") has entered into a contract with Highland Cove, LLC., a Tennessee Limited Liability Company, (hereinafter referred to as "Seller") to sell four (4) condominium units at Highland Cove Condominium located at 7100 Dale Ridge Road, Lancaster, DeKalb County, Tennessee (hereinafter referred to as the "Property"), at absolute auction.

The Seller has the right, in its sole discretion, for any or no reason, to change or modify these terms and conditions, to add or withdraw any Condominium Unit or all Condominium Units prior to the start of the bidding by gavel of Auctioneer, before or at the Auction on May 15, 2010.

The Auctioneer reserves the right to announce any additional terms and conditions before or during the Auction. The Auctioneer makes no warranty or guarantee as to the correctness and completeness of any information. All information is subject to actual verification thereof by bidder(s)/prospective Buyer(s) prior to commencement of the Auction, and bidding constitutes evidence of bidder(s)' acceptance of these terms and satisfactory verification of any information received or relied upon by any such bidder(s)/prospective Buyer(s).

The condominiums will be sold subject to the **Covenants and Restrictions set forth in the Master Deed for Highland Cove Condominiums, as Amended**, all easements, any existing rights-of-way, public utilities, health department regulations, encroachments, restrictions, zoning regulations, governmental agency regulations, environmental conditions, leases, adverse possession, sewer assessments and all other matters now of record.

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Page 1 of 4 4/28/2010 10:09 AM

SELLER'S INITIALS _____
BUYER'S INITIALS _____

Buyers will receive a credit equal to 1% of the Buyer's winning bid price **ONLY** if Buyer closes with cash on the day of the auction.

All Property will be sold "AS IS, WHERE IS" and "WITH ALL FAULTS." No warranties, either statutory or otherwise, expressed or implied, of any kind whatsoever, including those as to the fitness for a particular use or purpose, habitability, merchantability, quality of construction, or environmental condition [including without limitation, the presence or absence of asbestos, lead-based paint, or any hazardous substances, hazardous wastes, petroleum or petroleum by-products (collectively "Hazardous Materials") concerning or with respect to the Property are given by the Seller or the Auction Company.

All bidders acknowledge and agree by their participation in the Auction, that the bidder has inspected the Property and is not relying on any warranty or representation of Seller or Auctioneer, or any agent thereof, and that the bidder is buying the Property "AS IS, WHERE IS" and "WITH ALL FAULTS."

All bidders must register and receive a bid number in order to bid. In order to obtain a bid number, a prospective Buyer will be required to provide a personal check, business check or certified funds made payable to **Lynn Omohundro, Attorney at Law ("Escrow/Closing Agent")**, located at **113 S. Young Street, Sparta, Tennessee 38583; Phone Number: (931) 836-2226**, issued on a U.S. bank, or other funds acceptable to Seller, in the amount of **Fifteen Thousand Dollars (\$15,000.00) per condominium unit for the THREE BEDROOM CONDOMINIUMS and Twenty Five Thousand Dollars (\$25,000.00) per condominium unit for the THREE BEDROOM PENTHOUSES ("Bidder Deposit")**.

The Condominium Units will be bid by the dollar (U.S.). The Condominium Units will be sold by the "High Bidder's Choice" method for each Unit Type Group. The highest bidder in the initial round of bidding shall have the choice of all available units in the Unit Type Group designated by the Auctioneer. After the initial round of bidding and once the High Bidder's choice has been made, a new round of bidding shall begin for the Unit Type Group designated by the Auctioneer, with the highest bidder for that round choosing from the remaining available units in the Unit Type Group designated by the Auctioneer.

All decisions of the Auctioneer shall be final, including but not limited to, decisions on matters such as increments of bidding, disputes among bidders and any other issues that may arise before, during or after the sale.

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Page 2 of 4 4/28/2010 10:09 AM

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The successful bidder shall be required to sign the Purchase and Sale Agreement and pay an Earnest Money Deposit ("Earnest Money Deposit") equal to ten percent (10%) of the total purchase price immediately following the Auction. As used herein, the "Total Purchase Price" shall mean the winning high bid plus a Buyer's Premium equal to ten percent (10%) of the winning high bid ("Buyer's Premium"). The Earnest Money Deposit shall be comprised of the Bidder Deposit previously delivered to the Escrow Agent, with the balance of the Earnest Money Deposit being paid immediately after being declared the Buyer with certified funds, personal check or company check.

The Deposit will be held in a trust account under the control of **Lynn Omohundro, Attorney at Law, as Escrow Agent, located at 113 S. Young Street, Sparta, Tennessee 38583; Phone No.: (931) 836-2226**, pending closing and in accordance with the terms of the Purchase and Sale Agreement. No disbursement will be made from this escrow account until closing or as otherwise set forth in accordance with the Purchase and Sale Agreement.

In the event a Buyer fails to close and pay his or her balance when due, the Deposit may be retained by Seller as liquidated damages in addition to any other remedies available to the Seller and shall not be deemed a forfeiture or penalty within the meaning of any applicable law.

CLOSING: Closing shall take place on/or before **June 14, 2010** ("Closing Date"), or in accordance with the Purchase and Sale Agreement or such date as mutually agreed upon by Seller and Buyer in writing. Current year taxes shall be prorated to the date of closing. Buyer will be responsible for any subsequent assessments for prior years due to any changes in the usage of the property, if applicable. Seller shall have paid all real property taxes that are due and owing as of the Closing Date. Seller will deliver a Condominium Warranty Deed conveying the Property provided in the Purchase and Sale Agreement. Each party shall pay its own closing costs as enumerated in the Purchase and Sale Agreement and its own attorneys fees. **POSSESSION SHALL BE DELIVERED IMMEDIATELY AFTER CLOSING AND FUNDING.**

TERMS: Terms shall be as follows: Ten Percent (10%) Earnest Money Deposit on Auction Day payable by personal check, business check, certified funds or other funds acceptable to the Seller with the balance due at closing.

AUCTION COMPANY NOTICE OF AGENCY RELATIONSHIP: The Auction Company is acting as agent for the Seller in this transaction and is to be paid a fee by the Seller pursuant to a separate written agreement between Seller and the Auction Company. The Auction Company is not acting as agent for the Buyer in this transaction. Any third party broker is not a subagent of the Auction Company.

THERE WILL BE A TEN PERCENT (10%) BUYER'S PREMIUM ADDED TO THE WINNING BID PRICE TO ARRIVE AT THE TOTAL PURCHASE PRICE. THIS BUYER'S PREMIUM WILL BE PAID BY THE BUYER.

BUYERS WILL RECEIVE A CREDIT EQUAL TO 1% OF THE BUYER'S WINNING BID PRICE ONLY IF BUYER CLOSSES WITH CASH ON THE DAY OF THE AUCTION.

THE NATIONAL AUCTION GROUP, INC. IS THE SELLER'S AGENT ONLY AND MAKES NO REPRESENTATION CONCERNING THIS PROPERTY WHATSOEVER.

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Page 4 of 4 4/28/2010 10:09 AM

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