

PRELIMINARY
PURCHASE AND SALE AGREEMENT
“Highland Cove Condominiums”
7100 Dale Ridge Road
Lancaster, DeKalb County, Tennessee
May 15, 2010

The undersigned seller (“Seller”) and buyer (“Buyer”) hereby agree as follows:

1. **THE PROPERTY:** Seller agrees to sell and Buyer agrees to purchase the property described as Unit No. _____, as shown on the Plat of Highland Cove Condominium of record in Plat 1, Page 479, in the Register’s office for DeKalb County, Tennessee (the “Plat”), together with all fixtures, appliances, wall coverings, carpets or other improvements therein and the undivided interest in the General and Limited Common Elements appurtenant thereto (hereinafter referred to as the “Property”), for the price and upon the terms and conditions as set forth below and further in the Terms and Conditions of Auction attached hereto as **Exhibit "A"**.
2. **THE PRICE:** The total purchase price is \$_____ (*which includes the Ten Percent (10%) Buyer's Premium*) payable at closing in cash or equivalent good funds acceptable to the Closing Agent.
3. **THE TITLE:** The Seller shall convey the Property by **Condominium Warranty Deed**, in the form attached hereto as Exhibit "B", free and clear of all liens and monetary encumbrances, but subject to all easements and prescriptive rights existing at law or of record as of the date of the transfer. An owner’s title insurance policy will be issued at the Buyer's expense.
4. **THE SURVEY:** If the buyer requires a survey, the survey will be at the Buyer’s option and expense.
5. **CLOSING:** This sale and purchase transaction shall be closed by **Lynn Omohundro, Attorney at Law** (“Escrow Agent” / “Closing Agent”) at **113 S. Young Street, Sparta, Tennessee 38583; Phone No.: (931) 836-2226, on or before June 14, 2010**, or on such other date as may be agreed to by the parties in writing, (“Closing Date”), time being of the absolute essence.
6. **DEFAULTS:** Seller shall have the right to damages, including reasonable attorneys’ fees, in the event Buyer neglects or refuses to perform Buyer’s obligations hereunder. Buyer and Seller agree that based upon circumstances now existing, known and unknown, it would be impractical or extremely difficult to establish Seller’s damages by reason of Buyer’s default under this contract. Accordingly, Buyer and Seller agree that in the event of a default by Buyer under this contract, Seller shall receive “liquidated damages” equal to the amount represented by the Earnest Money Deposit (“Deposit”) then held by Escrow Agent identified in Paragraph No. 5 herein. At their option, Seller and Buyer shall have the additional right to receive equitable relief, including, without limitation, the alternative right to enforce specific performance of this Purchase and Sale Agreement (“Agreement”).

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7. **EARNEST MONEY:** Buyer has delivered to Seller, Buyer's Deposit check payable to **Lynn Omohundro, Attorney at Law**, in the amount of \$_____. The Escrow Agent (i) shall apply same to the cash portion of the price if Buyer performs Buyer's obligations hereunder; or (ii) shall refund same to Buyer if Seller fails or refuses to perform Seller's obligations hereunder; or (iii) shall pay all of the Deposit then held by it over to Seller if Buyer fails or refuses to perform Buyer's obligations hereunder.

8. **PRORATIONS:** Prorations and adjustments shall be made at closing as follows: ad valorem taxes shall be prorated to the date of closing on the basis of the latest available information and assumed by the Buyer. These taxes are subject to readjustment and re-proration when the actual tax bills are received or the actual tax amounts for the year of closing become known.

9. **BROKERAGE:** Each party represents and warrants that no real estate broker or salesman has been involved in this transaction except The National Auction Group, Inc. ("Auction Company") and _____ ("Participating Broker"). (Insert NONE, if there is no participating broker). If Purchaser has a sales agent or broker assisting him or her in any manner in connection with this transaction, Purchaser agrees that it is Purchaser's duty to cause the Participating Broker to be properly registered with The National Auction Group, Inc., ("Auction Company") and to have such agreement as to commissions between the two set forth in writing on forms provided by the Auction Company. Any commission due the Auction Company shall be paid simultaneously with any proceeds paid to the Seller or any other person or entity. The parties agree that all deposits and purchase funds shall be paid to the Escrow Agent for its proper disbursement. If the Buyer defaults in closing this Agreement, the deposit paid by the Buyer shall be paid as follows: 50% to the Seller and 50% to the Auction Company. If Seller seeks and obtains a judgment for specific performance of any Agreement and/or damages in respect thereof, Auction Company shall be paid the full amount of its commission due in respect thereof.

10. **CLOSING DOCUMENTS:** : (a) To perform its closing obligations hereunder, Seller shall execute and deliver, in form for recording, said **Condominium Warranty Deed** and do and perform all other acts and things that are required hereby and do and perform all other acts and things as shall be required by the Closing Agent; (b) To perform its closing obligations hereunder, Buyer shall execute all documents and do and perform all other acts and things that are required hereby and do and perform all other acts and things as shall be required by the Closing Agent as conditions precedent (i) to its making and showing on its closing statement to Buyer and Seller the price, all prorations, etc., as herein provided for and contemplated, and (ii) to its issuing to Seller of its check representing the net proceeds of the sale due to Seller.

11. **CLOSING COSTS.** Each party shall pay its own closing costs as set forth in the Estimated Closing Costs attached hereto as Exhibit "C", and each party shall pay its own attorney's fees.

12. **PROPERTY CONDITION:** The Property is selling subject to the Covenants and Restrictions set forth in the Master Deed for Highland Cove Condominiums, as Amended, any existing rights-of-way, easements, encroachments, zoning regulations, governmental agency regulations, environmental conditions, leases, adverse possession, restrictions, sewer assessments and all other matters of record.

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This Property is selling in “AS IS, WHERE IS” condition, without warranty or representation, either statutory or otherwise expressed or implied.

13. **FIXTURES AND PERSONALTY:** This purchase and sale includes all the following as now situated on the Property: all plumbing, heating, lighting and electrical fixtures and systems; appliances; all carpeting; all cabinets and built-ins; blinds and window hardware; all shrubbery and all other items and things permanently attached to the Property. All furniture, rugs, artwork and personalty not attached to the property are excluded and shall remain the property of the Seller.
14. **RISK OF LOSS:** Risk of condemnation or fire or other casualty loss shall remain with Seller until closing, and if any condemnation or unrepaired fire or other casualty damage occurs, Buyer has the option of (i) closing without diminution of the price upon taking assignments from Seller (which Seller covenants to make) of all condemnation awards and/or fire and other casualty insurance claims or (ii) of releasing Seller hereunder and having the return of the Deposit paid by Buyer on account hereof.
15. **NOTICES:** Notices required or permitted hereby shall be in writing, mailed postage prepaid by certified or registered mail, return receipt requested, to the Seller and the Buyer at their respective addresses as set forth below, or to such other address designated by either party by written notice to that effect.
16. **ENTIRE AGREEMENT:** This Agreement represents the entire and final Agreement between the parties, superseding and canceling all prior oral and written communications and agreements between them, their agents and representatives, and this Agreement may not subsequently be changed or amended except in writing signed by the parties.
17. **DISCLAIMER AS TO AUCTION COMPANY:** Buyer shall look only to Seller as to all matters regarding this Agreement and the Property. The Auction Company shall not be responsible or liable in any way (i) if Seller fails or refuses to or cannot close title hereunder or (ii) if the Property is affected in any way, is in need of attention or repairs or is in any other way unsatisfactory to Buyer as Buyer may determine before or after closing.
18. **AUCTION COMPANY NOTICE OF AGENCY RELATIONSHIP:** Buyer acknowledges that 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 Buyer further acknowledges that 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.
19. **1031 EXCHANGE:** It is understood that Seller or Buyer may wish to make a like kind tax-deferred exchange, therefore; Seller or Buyer shall have the right to assign their rights to an intermediary for the purposes of effecting a like kind exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended (“Section 1031”, “exchange”, or a “tax-free exchange”). Seller and Buyer agree to execute any documents as reasonably necessary to effect such an exchange. The exchanging party will pay any costs associated with said exchange.

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20. **ATTACHMENTS HERETO:**

- Exhibit A - Terms and Conditions of Auction;
- Exhibit B - Sample Condominium Warranty Deed;
- Exhibit C – Estimated Closing Costs;
- Exhibit D – Agency Disclosure as Required by Tennessee Law;
- Exhibit E – Acknowledgment of Receipt of Copy of Master Deed, As amended; and
- Exhibit F - Any Addendum hereto.

BUYER REPRESENTS AND WARRANTS THAT BUYER AND BUYER’S EXPERTS HAVE THOROUGHLY AND CAREFULLY INSPECTED THE PROPERTY AND AGREE TO PURCHASE SAME “AS IS, WHERE IS”, “WITH ALL FAULTS, IF ANY”.

IN WITNESS WHEREOF, the parties have executed this Agreement on the **15th** day of **May, 2010**.

SELLER:

HIGHLAND COVE, LLC.,
a Tennessee Limited Liability Company

BY: _____
JOHN VICTOR BROWN, JR.
AS ITS: Chief Manager

BUYER:

By: _____
(signature)
Print Name: _____
SS#: _____

By: _____
(signature)
Print Name: _____
SS#: _____

ADDRESS: _____

PHONE NO.: _____
EMAIL: _____

Initials:			
“Buyers”		“Sellers”	