

**PRELIMINARY**  
**TERMS & CONDITIONS OF AUCTION**  
**“SIENNA ON THE COAST”**  
**1200 Beach Drive**  
**Gulfport, Harrison County, Mississippi**  
**Sunday, November 2, 2008**

The National Auction Group, Inc. (“Auction Company/Auctioneer”) has entered into a contract with **HW GULFPORT CONDOS, LLC., a Georgia limited liability company**, (hereinafter referred to as “Seller” and sometimes referred to as “Developer”) to sell **10 condominium units at Sienna on the Coast, a Condominium, located at 1200 Beach Drive, Gulfport, Harrison County, Mississippi** (hereinafter referred to as “Property” and sometimes referred to as “Unit”) 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 unit or all units, prior to the start of the bidding for each separate Unit or Units, by gavel of Auctioneer, before or at the Auction on **November 2, 2008**.

All information contained in the advertising and promotion of this sale has been provided by the Seller and is believed to be true and correct. 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 Purchaser(s) prior to commencement of the auction, and bidding constitutes evidence of bidder’s (s) acceptance of these terms and satisfactory verification of any information received or relied upon by any such bidder(s)/prospective Purchaser(s).

The Property will be sold subject to conditions, covenants and agreements of The Declaration of Condominium of Sienna on the Coast, a Condominium, and any Exhibits annexed thereto, By-Laws of Sienna on the Coast Condominium Owners Association, Inc., current taxes, applicable zoning ordinances or other land use restrictions, conditions, limitations, utility service agreements, reservations, covenants, restrictions and easements of record at the time of closing.

All bidders must register and receive a bid number in order to bid. In order to obtain a bid number, a prospective Purchaser will be required to provide personal check, business check or certified funds made payable to **M-TEC, Miller Title & Escrow Services, Inc.**, issued on a U.S. bank, or other funds acceptable to Seller in the amount of **Fifteen Thousand Dollars**

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**(\$15,000.00) per condo for the 3 bedroom/3 bath units, Ten Thousand Dollars (\$10,000.00) per condo for the 3 bedroom/2 bath units and/or Five Thousand Dollars (\$5,000.00) per condo for the 2 bedroom/2 bath units (“Bidder Deposit”).**

The units will be bid by the dollar (U.S.) and 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 method of bidding, increments of bidding, disputes among bidders and any other issues that may arise before, during or after the sale.

The successful bidder shall be required to sign the Purchase and Sale Agreement and pay an Earnest Money Deposit (“Deposit”) equal to Ten Percent (10%) of the total purchase price immediately following the Auction. The total purchase price shall be the winning high bid plus a Buyer's Premium equal to **Ten percent (10%)** (“Buyer's Premium”) of the winning high bid. The Earnest Money Deposit shall be the Bidder Deposit with the balance of the Earnest Money Deposit being paid by certified funds, personal check or company check immediately after being declared the Buyer.

The Earnest Money Deposit will be held in an escrow account under the control of **M-TEC, Miller Title & Escrow Services, Inc.**, hereinafter referred to as Escrow Agent/Closing Agent, located at **12 Woodgate Drive, Suite C, Brandon, MS 39042; Phone No.: (601) 825-5220**, in the account of **M-TEC, Miller Title & Escrow Services, Inc., Real Estate Trust Account**, 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 Earnest Money Deposit shall be retained by Seller as liquidated damages in addition to any other remedies available to the Seller.

**CLOSING: Closing shall take place on/or before December 2, 2008** (“Closing Date”), or in accordance with the Purchase and Sale Agreement or such date as mutually agreed upon by

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Seller and Purchaser in writing. Seller will deliver a **Condominium Special Warranty Deed**. Each party shall pay its own attorneys fees and the closing costs as stated in the Purchase and Sale Agreement.

**POSSESSION:** Permanent possession of any Unit shall be delivered to Purchaser upon 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 balance due at closing.

**1031 EXCHANGE:** It is understood that Seller or Purchaser may wish to make a like kind tax-deferred exchange, therefore; Seller or Purchaser 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 Purchaser agree to execute any documents as reasonably necessary to effect such an exchange. The exchanging party will pay any costs associated with said exchange.

**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 Purchaser 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 PURCHASER.**

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

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