

J. P. KING AUCTION COMPANY, INC.

TERMS OF AUCTION

**Bella Sol Seaside Villas and Marina
Hillsborough County, Florida
Saturday, September 6, 2008 at 11:00 AM (ET)**

J. P. King Auction Company, Inc. ("King"), an Alabama corporation headquartered at 108 Fountain Avenue in Gadsden, Alabama 35901 (telephone 800-662-5464 or 256-546-5217 and facsimile 256-543-8036) and its Florida broker, J. Scott King ("Broker") whose address is 108 Fountain Avenue, Gadsden, Alabama 35901 (King and its Broker being referred to herein collectively as "Auctioneer") have contracted with Bello Sol Condos, LLC ("Seller") to offer to sell at public auction ("Auction") certain real property ("Property"). These terms, plus any additions, deletions, and/or revisions announced by Auctioneer before the commencement of the Auction, represent the exclusive terms for the Auction ("Terms of Auction").

1. *AGENCY*: Auctioneer is acting exclusively as an agent for Seller and not as an agent for any Bidder or Purchaser. No third-party broker is acting as a sub-agent of Auctioneer.
2. *COLLUSION*: Bid-rigging is a federal felony punishable by imprisonment and fine. Auctioneer will report all illegal conduct to the F.B.I. and cooperate with any prosecution.
3. *COPYRIGHT*: The Auction is the exclusive intellectual property of Auctioneer, covered by copyright protection, and may not be recorded, reproduced, or used in any form by anyone other than Auctioneer.
4. *PROPERTY*: The Property is described in the "Purchase agreement" ("Purchase agreement"), a copy of which is available from Auctioneer, online at www.jpking.com, and posted at the Auction. No personal property will be conveyed with the Property.
5. *DUE DILIGENCE*: Seller and Auctioneer do not attempt to provide Bidder with all of the information Bidder may need to make an informed decision about the Auction and Property. Bidder should obtain professional advice and conduct due diligence on the Property, title commitment (available from Auctioneer and posted at the Auction), surrounding area, all information provided by Seller or Auctioneer, "Property Information Package" (available from Auctioneer, online at www.jpking.com, and posted at the Auction), public records, Terms of Auction, Auction, Purchase agreement, transaction contemplated, and all circumstances, defects, facts, issues, problems, and other relevant matters (collectively "Property Issues"). All information provided by Auctioneer came from Seller and is believed to be accurate, but neither Seller nor Auctioneer guarantees, represents, or warrants its accuracy or completeness and Bidder should not rely upon it without independent inspection and verification from sources Bidder knows to be reliable. Seller and Auctioneer are not required to update any information provided or published and shall have no liability on any basis for failing to do so.
6. *DISCLAIMER*: Participation in the Auction is at Bidder's sole risk and Seller and Auctioneer, plus their agents, contractors, and employees, shall have no liability on any basis. The Property will be offered in "**AS IS, WHERE IS**" condition. To the fullest extent allowed by law, Seller and Auctioneer unconditionally disclaim any guarantee, representation, or warranty of every kind, whether expressed, implied, or statutory, whether oral or written, whether past, present, or future, with respect to all Property Issues, except as expressly provided in the Terms of Auction and the Purchase agreement.
7. *DISCLOSURES*: The Property will be offered for sale and conveyed subject to all conditions, covenants, deeds, easements, reservations, restrictions, right-of-ways, title exceptions, and matters of record. Maps, depictions, and sketches in any materials related to the Property are for illustration purposes only and Seller and Auctioneer do not guarantee, represent, or warrant their accuracy or completeness.
Property Specific Disclosures: Property specific disclosures shall be attached to these Terms of Auction as referenced herein.
8. *REGISTRATION*: Any competent adult with a satisfactory photo identification who properly registers and complies with the Terms of Auction may bid. Auctioneer may refuse to register or expel any person who is disruptive, noncompliant, or previously caused a problem for Seller or Auctioneer. Any person intending to bid on behalf of another must present Auctioneer with an executed, enforceable, recorded, and unexpired power of attorney which is subject to Auctioneer's approval. The requirements for Bidder registration may be waived by Auctioneer with respect to any

Bidder, without waiving same for any other Bidder. By registering, Bidder acknowledges receipt of the Terms of Auction and access to the Purchase agreement and unconditionally and irrevocably agrees to be bound by both.

9. *BUYER'S PREMIUM:* A ten percent (10.00%) buyer's premium shall be in effect for the Auction and added to the amount of the highest bid to arrive at the selling price for the Property ("total contract price").

10. *AUCTION:* Auctioneer's discretion includes, but is not limited to, the auction method, bid-calling, bid increments, and determining the purchaser. The decision of Auctioneer is final regarding all matters that arise before, during, or after the Auction. Seller shall not bid. Bidder shall not retract any bid. Bidder's purchase shall be considered a single transaction whether of the whole or a fraction of the Property. The sale of any fraction of the Property shall not be contingent upon the sale of any other portion thereof, whether purchased by the same Purchaser or not.

(a) The Property is scheduled to be sold using the "*High Bidder's Choice*" method of auction as follows:

1. The first five (5) condominium units as selected by the highest bidders will be sold to the highest respective bidder for each unit. The remaining units will be offered subject to Seller's acceptance of the highest bid price for each unit.

2. Twelve (12) boat slips will be offered in the Auction sale. The first four (4) boat slips as selected by the highest bidders will be sold to the highest respective bidder for each boat slip. The remaining eight (8) boat slips as selected by the highest bidders will be offered subject to the Seller's acceptance of the highest bid price for each boat slip.

(b) The initial highest Bidder will select any one or more of the parcels from the Property inventory designated for round-one bidding. Once the initial highest bidder has completed this selection, if any parcels in the round-one Property inventory remain available, bidding will resume in a second phase of bidding for the available parcels. The highest Bidder in the second phase of bidding will select any one or more of the available parcels from the Property inventory. This process will continue into a third and subsequent phases of bidding until all parcels in the Property inventory have been selected by their respective highest Bidders. Prior to starting the second and any subsequent phase of bidding, Seller and Auctioneer may offer Bidders, on a first-come-first-served basis, the opportunity to select any one or more of the unselected parcels included in the round-one Property inventory for the amount of the last highest Bidder's bid. Once a high Bidder has selected one or more parcels from the Property inventory, that Bidder may NOT exchange any parcel previously selected for any other parcel.

11. *PURCHASE AGREEMENT:* This is a cash sale and not contingent upon any matter, including Purchaser obtaining financing. Purchaser shall immediately execute the Purchase agreement and all related documents presented by Auctioneer to bind Bidder and Seller to the sale of the Property. Any Purchaser purchasing on behalf of a business or arm of government ("artificial person") shall immediately execute the Purchase agreement in both the artificial person's and purchaser's names, until such time as the artificial person presents Auctioneer with acceptable, written evidence of the artificial person's good standing in its state of formation, plus written authority, in a form acceptable to Auctioneer, agreeing to be bound by the Purchase agreement. The Terms of Auction are incorporated into the Purchase agreement which defines the entire agreement between Seller and Purchaser. The Terms of Auction complement the Purchase agreement and, in the event of any conflict between them, the Purchase agreement shall control in all instances. Purchaser shall execute the Purchase agreement and no addition, deletion, or revision shall be permitted.

12. *SELLER MEMBERS AND INVESTOR BIDDING:* The Seller's members and investors have reserved the liberty to bid in the Auction on the Property including, but not limited to, on the portions of the Property to be sold to the highest respective bidder(s). If any of Seller's members and investors do bid in the Auction, they will do so on the same terms as all other bidders. If any of Seller's investors buy any portion(s) of the Property in the Auction, they will do so on the same terms as every other purchaser and such sale(s) will be closed, as provided in the Purchase agreement, with the subject portion(s) of the Property conveyed by deed(s) from Seller to the purchaser(s).

13. *DEPOSIT:* Purchaser shall immediately pay to the escrow/closing agent, in U. S. Dollars, an earnest money deposit of no less than ten percent (10.00%) of the total contract price of the Property ("deposit"). If for any reason Purchaser fails to timely execute the Purchase agreement or pay the deposit, Seller has sole discretion, to: (a) pursue all legal and equitable remedies available against Purchaser, or (b) declare Purchaser's bid to be immediately forfeited, null, and void, without any requirement of notice, and immediately re-sell the Property to another purchaser.

14. *RELEASE* Bidders, Purchasers, and other persons present at the Auction (collectively "Attendees") are advised that Auctioneer and its agents, contractors, employees, and/or representatives may record the Auction, related matters, and Attendees through audiotape, photography, motion pictures, and/or videotape for advertising, marketing, promotion, publicity, record, and/or trade purposes, and in consideration of being allowed to attend the Auction, Attendees unconditionally and irrevocably agree that their images and voices may be so recorded and used by Auctioneer in all types of media without territorial, time, or use limitation, and without compensation being owed or paid to Attendees by Auctioneer or Seller.

15. ARBITRATION: Any action, claim, controversy, counterclaim, dispute, or proceeding arising out of the Property Issues and involving Seller, Bidder, Purchaser, or Auctioneer, in any combination, whether controlled by federal or state law, and whether an issue of law or equity, including the determination of the scope and applicability of this agreement to arbitrate, shall be determined and resolved exclusively by final and binding arbitration, with no appeal permitted, except as provided by applicable law for the judicial review or enforcement of arbitration decisions. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc., or its successor, and decided by a panel of three (3) independent arbitrators. Judgment on the arbitration award may be entered in any court having jurisdiction. The parties waive the right to any legal action and trial by jury. The costs of arbitration, including the fees and expenses of the arbitrators, but not including the parties' attorneys' fees, shall initially be paid equally by them. The prevailing party shall be entitled to collect from the other its full costs associated with the arbitration, including reasonable attorneys' fees. All aspects of any arbitration shall be permanently kept confidential and not disclosed in any form or manner to any entity, media, or person, and the parties shall jointly move the court entering judgment on the arbitration award to so order. Any arbitration must be commenced within two (2) years from the date when the cause of arbitration accrues or it will be forever barred. The right of arbitration shall accrue, and the two (2) year limitation period shall begin to run, on the date the breach, damage, or injury is sustained and not when the resulting damage or harm is discovered.

16. CHOICE OF LAW, JURISDICTION, AND VENUE: Any Auction matter shall be exclusively construed and governed in accordance with the laws of the State of Florida, without regard to its conflict of laws principles. The exclusive jurisdiction and venue for any controversy or claim between the parties shall be the County of Hillsborough in the State of Florida.

17. MISCELLANEOUS: The Terms of Auction shall bind Bidders and their agents, assigns, attorneys, beneficiaries, brokers, directors, distributees, employees, executors, heirs, legatees, officers, representatives, shareholders, and successors in interest. No deletion, modification, supplement, or waiver of any provision of the Terms of Auction shall be made, except by Auctioneer's written revision or announcement at the Auction.

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PROPERTY SPECIFIC DISCLOSURES

DISCLAIMER: Seller and Auctioneer (this term to include Broker) do not, here or otherwise, attempt to provide Bidder with all of the information Bidder may need to conduct due diligence and make an informed decision about the Auction and Property. Participation in the Auction is at Bidder's sole risk and Seller and Auctioneer, plus their agents, brokers, contractors, employees, and representatives shall have no liability whatsoever on any basis. The Property will be offered and sold in "AS IS, WHERE IS" condition with all defects, faults, issues, and related problems. To the fullest extent allowed by law, Seller and Auctioneer unconditionally disclaim any guarantee, representation, or warranty of every kind, whether expressed, implied, or statutory, whether oral or written, whether past, present, or future, with respect to all issues and matters affecting, involving, or related in any way to the Auction and Property, except as expressly provided for in the *Terms of Auction* and the *Real Property Purchase agreement*. The disclosures that follow are made to Bidders to assist them in performing their due diligence, but this list is not represented to be complete or correct and there may be other defects, facts, faults, issues, items, problems, and other relevant matters affecting, involving, or related in some way to the Property. Bidders should govern themselves accordingly.

Property Tax Disclosure: BUYER SHOULD NOT RELY ON SELLER'S CURRENT PROPERTY TAX ON THE PROPERTY AS BEING INDICATIVE OF THE AMOUNT OF TAX THAT WILL BE OWED ON THE PROPERTY IN THE FUTURE. A CHANGE OF OWNERSHIP OR IMPROVEMENT OF THE PROPERTY MAY TRIGGER A TAX REASSESSMENT FOR THE PROPERTY AND COULD RESULT IN HIGHER TAXES BEING ASSESSED TO PURCHASER. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION OR TAXATION OF THE PROPERTY, YOU SHOULD IMMEDIATELY CONTRACT THE COUNTY PROPERTY APPRAISERS' OFFICE FOR FURTHER INFORMATION.

BELLASOL WATERFRONT VILLAS, A CONDOMINIUM

Purchaser's Right to Cancel: THE PURCHASE AGREEMENT ("AGREEMENT") IS VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THE AGREEMENT BY THE PURCHASER, AND RECEIPT BY PURCHASER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER UNDER § 718.503, *FLORIDA STATUTES*. THE AGREEMENT IS ALSO VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE PURCHASER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. PURCHASER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE PURCHASER HAS RECEIVED ALL OF THE ITEMS REQUIRED. PURCHASER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING. FIGURES CONTAINED IN ANY BUDGET DELIVERED TO THE PURCHASER PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT ARE ESTIMATES ONLY AND REPRESENT AN APPROXIMATION OF FUTURE EXPENSES BASED ON FACTS AND CIRCUMSTANCES EXISTING AT THE TIME OF THE PREPARATION OF THE BUDGET BY THE DEVELOPER. ACTUAL COSTS OF SUCH ITEMS MAY EXCEED THE ESTIMATED COSTS. SUCH CHANGES IN COST DO NOT CONSTITUTE MATERIAL ADVERSE CHANGES IN THE OFFERING.

Villa Condominium Assessments: The condominiums are selling subject to the Declaration of Condominium for Bellasol Waterfront Villas, a Condominium, recorded at Instrument 2006302326 in the office of the Clerk of Court, Hillsborough County, Florida, and subsequent recorded addenda. The current monthly dues are \$454.60, which includes reserves, payable to Bellasol Waterfront Villas Condominium Association, Inc. ("Association"). At the time of closing of the sale of the Property, the association dues will be prorated through the date of closing between the Seller and the Purchaser and Purchaser shall pay the next month's assessment fee.

Contribution to Working Capital Fund of Association. At the time of closing of the sale of a Unit, Purchaser shall pay to the Association a nonrefundable contribution to the working capital fund in an amount equal to two months assessment fee.

Additional Fees: In addition to all other sums due hereunder and as described in the Purchase agreement,, at the time of closing of the sale of a unit, Purchaser shall pay a “Closing Charge” equal to one and one half percent (1.50%) of the total contract price and one time non-refundable developer fee of Five Hundred Dollars and no cents (\$500.00).

Coastal Control Construction Line: Residential dwellings located in coastal areas partially or totally seaward of the coastal construction control line may be situated on land that may be subject to frequent and severe fluctuations. A Purchaser of such property must execute a Coastal Control Construction Line waiver to be made part of the Purchase agreement, thereby acknowledging that the property is located either partially or totally seaward of the delineated and regulated coastal construction control line. Every Bidder should be apprised of the character of the Florida statute regulation and the waiver to be made part of the Purchase agreement.

Mold Disclosure and Waiver: Mold is a natural occurring microbe and mold should pose no health threat unless there are concentrated high levels in the living environment. If the Purchaser is concerned or desires additional information, Purchaser should consult an appropriate professional. Purchaser of the property must execute a “Mold Disclosure and Waiver” (“Mold Waiver”) in favor of Seller to be made part of the Purchase agreement, thereby waiving Purchaser’s right to conduct any risk assessment for mold or mold contaminants. Every Bidder should read and understand the “Mold Warning Statement” in the Purchase agreement.

Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to personnel who are exposed to it over time. Levels of radon gas that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the county public health unit.

Energy-Efficiency Rating Disclosure: Florida Statutes, Section 553.9085, provides that Purchaser may request the energy efficiency rating of the residential building. In the event Purchaser elects to make such request, Purchaser agrees to bear all costs and expenses of obtaining the energy efficiency rating, which cost shall be paid at closing as an expense of Purchaser. By entering in to the Purchase agreement, Purchaser will be acknowledging receipt of an informational brochure, which is in accordance with Florida Stature, Section 553.996, notifying the Purchaser of the option for an energy-efficient rating on the building.

Flood Zone: Purchaser is advised to verify, whether with its lender or any appropriate governmental agencies, which flood zone the Property is in and whether flood insurance is required and what restrictions, if any, apply to improving the Property and/or rebuilding in the event of loss. Seller makes no representations or warranties regarding whether the Property is located in a Special Flood Hazard Area or Coastal High Hazard Area or whether the building(s) are below the minimum flood elevation.

Wood Destroying Organisms: Seller has maintained a wood destroying organism bond during ownership of the Property; however, the Property is being sold “AS IS, WHERE IS” and Seller makes no representations or warranties regarding the condition of the Property with respect to damage from or otherwise related to wood destroying organisms.

Wind and Casualty Insurance: Seller makes no representations or warranties regarding the availability of wind and casualty insurance with respect to the Property, the extent of coverage, deductions, thresholds, exclusions or other limitations and restrictions affecting the applicability of any such insurance or the amount of premiums, or increases in such premiums upon renewal, for such insurance even if available.

Architectural and Building Restrictions: The Property may be subject to certain architectural and other building restrictions imposed by governmental authorities due to its location and any improvements, renovations, expansions, additions or other changes to the Property are subject to such restrictions. Purchaser is advised to consult with any appropriate governmental agencies or its attorneys, architects or other consultants regarding the applicability and effect of any such restrictions.

BELLASOL DOCK CONDOMINIUM

Boat Dock Ownership: A Purchaser of a boat dock must be a purchasing participant of the Auction sale or a record owner of legal title to a condominium parcel within Bellasol Waterfront Villas Condominium complex.

Boat Dock Assessment: The boat docks are selling subject to the Declaration of Condominium for Bellasol Dock Condominium, recorded at Instrument 2008269225 in the office of the Clerk of Court, Hillsborough County, Florida. The current monthly dues are \$74.73, which includes reserves, payable to Bellasol Dock Condominium Association, Inc. (“Association”). The association dues will be prorated through the date of closing between the Seller and the Purchaser at the time of closing of the sale of the Property. At the time of closing of the sale of the Property, the association dues will be prorated through the date of closing between the Seller and the Purchaser and Purchaser shall pay the next month’s assessment fee.

Contribution to Working Capital Fund of Association. At the time of closing of the sale of a Unit, Purchaser shall pay to the Association a nonrefundable contribution to the working capital fund in an amount equal to five hundred dollars and no cents (\$500.00) assessment fee.

Additional Fees: In addition to all other sums due hereunder and as described in the Purchase agreement,, at the time of closing of the sale of a unit, Purchaser shall pay a “Closing Charge” equal to one and one half percent (1.50%) of the total contract price and one time non-refundable developer fee of Five Hundred Dollars and no cents (\$500.00).