

J. P. KING AUCTION COMPANY, INC.

TERMS OF AUCTION

Regions Bank Portfolio

Tuesday, May 26, 2009 – Orlando, FL

Thursday, May 28, 2009 – Naples, FL

Tuesday, June 2, 2009 – Jacksonville, FL & Ponce Inlet, FL

Thursday, June 4, 2009 – Wilmington, NC

Friday, June 5, 2009 – Destin, FL

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 various Brokers (King and its Broker being referred to herein collectively as “Auctioneer”), have contracted with Regions Bank (“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 Buyer. 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 “Contract for Sale and Purchase” (“Sale Contract”), 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 real estate.

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, Sale Contract, 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 Sale Contract.

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 Sale Contract 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 buyer. 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 Property shall not be contingent upon the sale of any other Property, whether purchased by the same Buyer or not. The Properties located at 2050 E. Irlo Bronson Memorial Hwy 192 (Units #108, #109, #110, #171, #172, #206, #207, #232, #233, #264, #270, #274), Kissimmee, FL will be sold at Absolute Auction to the highest respective bidder(s). All remaining Properties will be sold subject to Seller's confirmation of the highest bid price for each Property.

For those Properties selling subject to Seller's confirmation, King will conduct the bidding to determine the highest bid made for each part of the Property offered ("Property Unit"). The highest bidder for a Property Unit will immediately execute the *Real Property Sale Contract* ("Sale Contract") form provided by King and pay the earnest money deposit, as required by the *Terms of Auction*. Seller will consider the highest bid made for a Property Unit and advise King of its decision to accept or reject this bid, and Seller may take up to forty-eight (48) hours immediately following the Auction to make its decision. During the period that Seller is considering whether to accept or reject the highest bid made for a Property Unit, King will hold the subject Sale Contract and the bidder's earnest money deposit in escrow. Promptly after Seller communicates its decision to accept or reject the highest bid made for a Property Unit, King will notify (by telephone, email, or facsimile transmission) the bidder of Seller's decision. In the event Seller accepts the highest bid made for a Property Unit, Seller will promptly execute the Sale Contract and King will deliver the original and fully-executed Sale Contract along with the bidder's earnest money deposit to the Escrow Agent and send a copy of the fully-executed Sale Contract to the bidder. The bidder must then timely perform the duties and obligations of a buyer under the Sale Contract. In the event Seller rejects the highest bid made for a Property Unit, the Sale Contract will immediately become null and void, without further action required of either Party, and King will promptly return the earnest money deposit to the bidder thereby terminating the Parties' dealings and ending all of their involvement with, and responsibilities to, one another.

11. **SALE CONTRACT:** This is a cash sale and not contingent upon any matter, including Buyer obtaining financing. Buyer shall immediately execute the Sale Contract and all related documents presented by Auctioneer to bind Bidder and Seller to the sale of the Property. Any Buyer purchasing on behalf of a business or arm of government ("artificial person") shall immediately execute the Sale Contract in both the artificial person's and buyer'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 Sale Contract. The Terms of Auction are incorporated into the Sale Contract which defines the entire agreement between Seller and Buyer. The Terms of Auction complement the Sale Contract and, in the event of any conflict between them, the Sale Contract shall control in all instances. Buyer shall execute the Sale Contract and no addition, deletion, or revision shall be permitted.

12. **DEPOSIT:** Buyer shall immediately pay to the escrow/closing agent, in U. S. Dollars, an earnest money deposit of no less than Ten-Percent (10%) of the total contract price Per Property ("deposit"). If for any reason Buyer fails to timely execute the Sale Contract or pay the deposit, Seller has sole discretion, to: (a) pursue all legal and equitable remedies available against Buyer, or (b) declare Buyer's bid to be immediately forfeited, null, and void, without any requirement of notice, and immediately re-sell the Property to another buyer.

13. **CLOSING:** The Seller has designated an Escrow/Closing Agent for each Property and all Closings shall be conducted at the office of the designated Escrow/Closing Agent on or before 5:00 p.m., June 29, 2009 ("closing date").

14. **RELEASE** Bidders, Buyers, 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, Buyer, 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 where the Property is located, 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 where the Property is located.

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.

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 Sale Contract*. 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.

Mold Disclosure: 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. The Seller, Broker and the Auction Company specifically make no representations, guarantees, or warranties of any kind whatsoever regarding the present condition of the property, the future condition of the property, or anything regarding mold, mildew and the remediation process. The Seller, Broker and the Auction Company fully and unconditionally disclaim any liability whatsoever for any action, arbitration, claim, cost, damage, deficiency, expense, loss, suit, or other demand of any kind related to the property, these conditions, damages, problems, the remediation process, and all related issues.

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.

Lead-Based Paint: Residential dwellings built prior to 1978 may include lead-based paint. Buyer of such property must immediately execute a "Lead-Based Paint Waiver" in favor of Seller to be made part of the Sale Contract, thereby waiving Buyer's right to conduct any risk assessment or inspection for lead-based paint hazards. Every Bidder should read and understand the lead hazard information pamphlet provided and the "Lead Warning Statement" in the Sale Contract.

REO: Seller discloses that the Property was previously foreclosed by it and is now "Real Estate Owned" ("REO") by it. Seller has little or no knowledge of the condition or circumstances surrounding this REO Property and, consequently, Seller makes no other disclosures about the Property and Buyer must perform all due diligence required or needed. As a material part of the consideration for this Agreement, Seller and Buyer agree that the Property is being sold in "*AS IS, WHERE IS*" condition with all burdens, circumstances, defects, faults, dangers, hazards, issues, material facts, problems, and other relevant matters, whether latent or patent, whether past, present, or future, and whether or not referenced herein, or in the *Terms of Auction*, and Buyer knowingly, voluntarily, unconditionally, and irrevocably waives, releases, and discharges Seller and Auctioneer from any claim that Buyer may otherwise have had with respect to the Property, the Auction, this Sale Contract, and the transaction contemplated.

Association Memberships: Some Properties may be part of an Association in which Buyer automatically becomes a member of said Association by purchase of a Property. Buyer is subject to all Association fees, which may include, but are not limited to, assessments, common expenses, and capital contributions.