

J. P. KING AUCTION COMPANY, INC.

TERMS OF AUCTION

Northern Bay Golf Resort and Marina Auction
Arkdale (Adams County), Wisconsin
September 11, 2010 at 11:00 AM (CT)

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), Wisconsin License Number 330-053, and its Wisconsin broker, Jamie Sanger, The Real Estate Group, Inc. d/b/a Coldwell Banker The Real Estate Group, Inc. ("Broker") whose address is 7734 Highway 42, PO Box 497, Egg Harbor, Wisconsin 54209 (King and its Broker being referred to herein collectively as "Auctioneer") have contracted with Anchor Bank, FSB ("Seller") and Michael Polsky, Esquire, Receiver ("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 "Real Property Sale Contract" ("Sale Contract"), a copy of which is available from Auctioneer, online at www.jpking.com, and posted at the Auction.
- 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 "**AS IS, WHERE IS, WITH ALL FAULTS.**" 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:** Unless otherwise disclosed, the Property will be offered for sale and conveyed by deed free and clear of all liens, mortgages, deeds of trust, delinquent taxes, assessments and warrants, but subject to all non-monetary encumbrances such as conditions, covenants, deeds, easements, reservations, restrictions, right-of-ways, title exceptions, zoning regulations 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. 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. Asbestos was commonly used in building construction prior to 1981 and can pose a significant health risk if disturbed and or dislodged in a way that causes asbestos fibers to be released. This can result from pounding, sanding, sawing, scraping, tearing, removing, or other remodeling procedures involving asbestos-containing material. Radon is a radioactive gas that comes from the natural breakdown of uranium in soil, rock, and water. It is drawn into buildings through foundation and other openings to the soil. The U.S. Environmental Protection Agency and Surgeon General

recommend all homebuyers have an indoor radon test conducted. Radon is a Class-A carcinogen and the second leading cause of lung cancer in the U.S. A building built, improved, or renovated during the approximate timeframe beginning in 2004 to present could contain defective drywall primarily manufactured in China. The presence of Chinese or other defective drywall has been linked to corrosion and significant damage to structural systems and other elements within and on affected properties. Chinese or other defective drywall is reported to emit a strong sulfur-like odor or fume which may also cause persons to experience health problems. The only cure known for Chinese or other defective drywall is to remove and replace it. Seller and Auctioneer notify Bidders of the potential issues and problems involved with Chinese or other defective drywall and make no representation of its existence or absence from the Property and specifically disclaim any and all responsibility or liability whatsoever to Bidder, Buyer, or anyone else if it is present.

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 FEE: A ten percent (10.00%) buyer's fee 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: The Property is scheduled for a reserve auction. All condominium units have an unpublished reserve price which is Seller's confidential, minimum, acceptable high-bid amount. A "starting bid" in the auction is not the reserve price and will not satisfy the reserve. The highest bid for every condominium unit is specifically contingent upon and subject to "Seller confirmation" which means Seller has the right to consider and then either accept or reject such bid. To become the winning Bidder for a condominium unit, a bidder must (a) have made the highest bid in the auction for that condominium unit, (b) that bid must be specifically considered and accepted by Seller, and (c) that Bidder must be specifically identified by Auctioneer as the Buyer of the condominium unit. An announcement by the Auctioneer that a condominium unit is "sold subject to Seller confirmation" (or the like) does not indicate Seller has considered and will accept that bid and, therefore, does not confirm that Bidder will become the Buyer of that condominium unit. With respect to any high bid for a condominium unit that is less than Seller's reserve price, that bid and/or any resulting offer or Sale Contract are specifically subject to Seller's consideration, acceptance, counteroffer, or rejection during the auction and for a period of five (5) days immediately following the 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 fraction of the Property shall not be contingent upon the sale of any other portion thereof, whether purchased by the same Buyer or not.

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

All units/buildings listed on the inventory will be offered for sale in an Auction with Reserve, subject to Seller's acceptance of the highest respective bid price for each unit/building.

(b) The initial highest Bidder will select any one or more of the units/buildings from the Property inventory designated for round-one bidding. Once the initial highest bidder has completed this selection, if any units/buildings in the round-one Property inventory remain available, bidding will resume in a second phase of bidding for the available units/buildings. The highest Bidder in the second phase of bidding will select any one or more of the available units/buildings from the Property inventory. This process will continue into a third and subsequent phases of bidding until all units/buildings 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 units/buildings 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 units/buildings from the Property inventory, that Bidder may NOT exchange any unit/building previously selected, for any other unit/building.

(c) **BIDDER UNDERSTANDS AND AGREES THAT ANY SALE CONTRACT EXECUTED BY BIDDER WILL BE CONTINGENT UPON SUBSEQUENT ACCEPTANCE OR REJECTION BY SELLER AND WILL BE OF NO EFFECT TO BIND A SALE OF THE SUBJECT PROPERTY UNLESS THE SALE CONTRACT IS EXECUTED BY SELLER AND A FULLY-EXECUTED COPY IS RETURNED TO BIDDER.** For each of these Units/Buildings offered subject to Seller's confirmation, Auctioneer will conduct the bidding to determine the highest bid made. The highest bidder for a Unit/Building will immediately execute the *Sale Contract* form provided by Auctioneer and pay the earnest money deposit, as required. Seller will then consider the highest bid made for

a Unit/Building and advise Auctioneer of its decision to accept or reject such bid. Seller will have until Friday, September 17th, 2010 at 5:00 p.m. CT to make this decision. During the period that Seller is considering whether to accept or reject the highest bid made for a Unit/Building, the Escrow Agent will hold the subject *Sale Contract* and the Bidder's earnest money deposit in escrow. If Seller approves and accepts the *Sale Contract*, Auctioneer will notify Buyer (by telephone, e-mail, or facsimile transmission) not later than Monday, September 20, 2010 at 5:00 pm CT. Bidder would then become the Buyer for the subject Property and Seller and Buyer would proceed to fully perform their respective duties, obligations, and responsibilities contained in the *Sale Contract*. Should Auctioneer not notify Bidder by the date and time specified above that Seller has approved and accepted the *Sale Contract* and agreed to make the sale and conveyance of the subject Property to Bidder, Bidder's bid and prospective purchase of the Property will be deemed to be disapproved by Seller and will immediately be cancelled, without any further action required by Seller, Bidder, or Auctioneer, and the *Sale Contract* will immediately become null, void, and of no force or effect. Seller will then have no obligation to sell and convey the subject Property to Bidder under the *Sale Contract* and the Escrow Agent will immediately mark the *Sale Contract* void and refund to Bidder the entire earnest money deposit that Bidder paid upon executing the *Sale Contract*. Neither Seller nor Auctioneer will thereafter have any duty, obligation, responsibility, or liability of any kind or amount whatsoever to Bidder, with regard to the w or their related dealings and, likewise, Bidder will have no such duty, obligation, responsibility, or liability of any kind or amount whatsoever to either Seller or Auctioneer.

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 (10.00%) of the total contract price of the 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. FINANCING: Promotional financing is available through AnchorBank to all buyers of auction properties. Buyer(s) will automatically qualify for financing with ten (10%) down payment on auction day. Thirty (30) year fixed rate loans at 5.5%* and fifteen (15) year fixed rate loans at 4.9%* available to Buyer(s) provided that within the last 36 months the buyer has not had any liens, judgments, bankruptcies, foreclosures, deeds in lieu of foreclosure, and has not been in default on current debt obligations. For more information please contact: William Ganshert, Vice President – Regional Lending Manager, Capitol Square Office, (608) 252-1854 or wganshert@anchorbank.com. *APR for 30-yr fixed rate is based on \$100,000 loan; *APR for 15-yr fixed rate is based on \$75,000 loan.

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 of Wisconsin, without regard to its conflict of laws principles. The exclusive jurisdiction and venue for any controversy or claim between the parties shall be the City of Arsdale in the County of Adams located in the State of Wisconsin.

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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