

# SALES CONTRACT

DATE : May 24, 2007

This contract entered into this 24th day of May, 2007 by and between Buford Hodge, Larry Hodge, Karen Shoffner, Dona Reeves, and Brent Hodge, SELLER; FURROW AUCTION COMPANY, with an address of 1022 Elm Street, Knoxville, TN 37921 (phone: 865-546-3206), AGENT; and \_\_\_\_\_, with an address of \_\_\_\_\_, BUYER.

## WITNESSETH

Pursuant to a bid placed at real property auction conducted by Agent on behalf of Seller and the terms and conditions agreed upon by Buyer in conjunction with Buyer placing a bid for purchase, Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the conditions hereinafter set out, the following described premises: **Approx. 10.97 ac with improvements as shown on Tax Map 038F, Group A, Parcel 012 in the Knox County, Tn Property Assessor's Office and further shown on survey by Bruce McClellan dated May 2, 2007, Dwq. No. 07-109, the PROPERTY.**

In consideration of \$ \_\_\_\_\_, paid by Buyer as earnest money and part of the purchase price, the **EARNEST MONEY**, receipt of which is hereby acknowledged, this contract is made binding on both parties, their heirs, executors, successors and/or assigns. Seller shall deliver to Buyer a **WARRANTY** deed conveying fee simple title to the Property to Buyer free and clear of all encumbrances, except as stated herein, being: **CURRENT YEAR PROPERTY TAXES WHICH WILL BE PRO-RATED AS OF CLOSING; RIGHTS OF TENANTS IN POSSESSION (IF APPLICABLE); PRO-RATION OF RENTS (IF APPLICABLE); ANY RECORDED OR VISIBLE ROAD-WAY RIGHTS OF WAY, RAILROAD OR UTILITY EASEMENTS; SUB-DIVISION RESTRICTIONS; ZONING; ALL NOTATIONS SHOWN ON ABOVE REFERENCED SURVEY; ALL EXCEPTIONS BOTH STANDARD AND SPECIAL AS SHOWN ON COMMITMENT FOR TITLE OBTAINED BY SELLER BY LAWYERS TITLE INSURANCE CORPORATION DATED MAY 1, 2007, COMMITMENT NO. 87415. BUYER SHALL PAY ANY AND ALL TRANSFER TAXES AND/OR RECORDING FEES IN CONJUNCTION WITH THE DEED.**

Buyer shall, within 20 days after date of this contract, pay for the property \$ \_\_\_\_\_ **(INCLUDES 10% BUYER'S PREMIUM)**, under the following terms: **10% DOWN WITH THE SIGNING OF THIS CONTRACT; BALANCE DUE IN CASH ON CLOSING WITHIN 20 DAYS. THIS IS A CASH TRANSACTION - CLOSING NOT SUBJECT TO ANY CONTINGENCIES. TITLE INSURANCE AND/OR SURVEY FOR THE PROPERTY MAY BE PROCURED BY BUYER AT BUYER'S SOLE OPTION AND EXPENSE.**

**THIS PROPERTY SOLD IN ITS "AS IS, WHERE IS WITH ALL FAULTS" CONDITION WITH NO WARRANTIES EITHER IMPLIED OR EXPRESS EXCEPT WARRANTY OF TITLE. Buyer acknowledges that all properties are being sold at public auction, subject to all existing covenants, conditions, restrictions, reservations, exploration rights, easements, rights of way, assessments, zoning, and all other land use restrictions. Specific reference is made to Agreement dated 9/12/05 between Sellers and Shalimar Points Condominiums Homeowners Association, Inc.**

### **DEED SHALL BE MADE: AS DIRECTED BY BUYER**

Title Insurance **(at Buyer's expense)** Yes ( ) ( ) No **WILL ADVISE** - Buyer may, at its own expense, obtain title insurance provided Seller shall not incur any cost as a result of such insurance.

### **IT IS FURTHER MUTUALLY AGREED**

1. **Agent.** Agent is not the owner of the Property, but solely an agent for Seller, who is the fee owner of the Property.
2. **Seller's Default.** If marketable title subject to the above-listed exceptions cannot be given to Buyer at closing, the Earnest Money in the amount of \$ \_\_\_\_\_ will be refunded to Buyer as Buyer's sole remedy.
3. **Casualty.** In the event of the destruction or damage of the Property by fire or other casualty prior to the closing of this sale, Buyer shall have the option to either receive any insurance proceeds on the Property destroyed and close and consummate the transaction, or to rescind this contract and receive a refund of the Earnest Money.
4. **Buyer's Default.** If Buyer fails to carry out and perform the terms of this agreement within 20 days after date of this contract, except in the case of Seller's default, Seller may retain the Earnest Money as partial compensation for damages sustained and may recover additional damages or obtain specific performance as permitted by law. In such event, Seller and its agent shall equally divide said Earnest Money.
5. **Closing and Settlement.** Closing to be conducted by Tennessee Valley Title, Knoxville, Tn (865) 523-0209, on or before 6/13/07. At the closing each party shall execute and deliver all documents necessary to effect and complete the closing, any statements, including any affidavits reasonably required by the Title Company for issuance of its title policy without the standard preprinted exceptions. The Warranty Deed to be executed by Seller shall be on the form then generally used by the Title Company and shall convey to Buyer marketable fee simple title, free and clear of all liens, restrictions and encumbrances except as specified herein and insurable as such the Title Company at standard rates on the current American Land Title Association Owner's Policy Standard Form, 1992. All blanks in all of the closing documents shall be filled in at the closing, and all documents shall otherwise be conformed to meet the requirements of the parties as expressed in this Contract. **Buyer shall pay: one-half closing fee; title examination and insurance (at Buyer's option); recording of warranty deed. Seller shall pay: title examination; one-half closing fee; preparation of Deed, cost of removing title objections.**
6. **Condition of Property.** Buyer hereby acknowledges Buyer's obligation to perform due diligence in regard to this transaction as well as the condition of the Property, and agrees that an inspection of the Property has been made by Buyer, that the purchase is based upon such inspection and such additional independent investigation as Buyer has chosen to make, and not by or through any representations made by Seller or Agent. Buyer hereby expressly waives any and all claims for damages or rescission of this contract due to any representations made by Seller or Agent, except such representations as may be contained in this contract.
7. **Acknowledgement.** Buyer acknowledges that in connection with its purchase of this Property from Seller, Agent disclosed to the undersigned Buyer all information, if any, made known by Seller to Agent concerning the exposure of the Property to hazardous wastes and/or substances, and/or the storage of hazardous wastes and/or substances and/or existence of lead-based paint on the

Property. The undersigned Buyer is hereby determining to go forward with the purchase based on this information.

- 8. Agency Disclosure Statement. Buyer acknowledges that Agent disclosed Seller's name.
- 9. Assignment. Buyer may assign this contract provided Buyer shall give Agent notice of such assignment prior to the closing. The terms and provisions of this contract shall be binding upon and inure to the benefit of Seller and Buyer and their respective heirs, executors, successors and/or assigns.
- 10. Entire Agreement. Both Seller and Buyer agree that this contract constitutes the sole and only agreement between them with respect to the above-described Property and shall not be modified, except in writing, and shall be binding upon their heirs, successors and/or assigns. Time is of the essence.

**FURROW AUCTION COMPANY, AGENT**

**Accepted: (See reverse side for signatures)**

\_\_\_\_\_  
**Seller**

**Date: May 24, 2007**

\_\_\_\_\_  
**Buyer**