

NOTICE – October 22, 2012

SADDLE RIDGE PROPERTY OWNERS

Many of you will have seen the Furrow Auction Company signs at the corner of Saddle Ridge Road and at the kiosk. I have spoken with Chuck Fisher of FAC, who assured me that they want to conduct this process with a minimum of disruption to the lives of SR residents. After our conversation, I can offer the following information, the best available to this point.

1. FAC will not be directing interested bidders to Saddle Ridge on a random basis. They will be announcing several open- house periods prior to the sale, with FAC representatives present to meet with bidders and escort them to the lots. FAC will not give out gate codes to bidders and will discourage them from coming out to SR without their representative.
2. A surveyor is marking all of the lots so that they can be readily identified.
3. The auction will be held on the lot with the barn on Chilhowee Loop Road. FAC representatives will be at the gate and at the barn area greeting bidders.
4. Mr. Fisher is aware that some of our property owners previously bid successfully on tax notes on some of the lots, and encourages them and other interested owners to bid on the lots at the FAC auction.

For those owners who had purchased tax notes, my understanding is that one of several things will happen as a result of auction. This is for informational purposes only and I am not making a legal representation. Please consult with an attorney of your choosing for more definitive information.

1. The lot is sold to a third party. The holder of the tax note on the property will have the amount of their bid on the tax note, plus ten percent, returned to them, as well as all of the taxes paid by the holder for subsequent years. This will occur from the proceeds of the sale at closing. The purchaser will have clear title to the lot.
2. The holder of the tax note purchases the lot. The purchaser will pay the successful bid amount plus buyers premium, as per the auction rules. The tax note bid amount, plus ten percent, as well as all taxes paid by the

holder, will be returned to the purchaser at the closing. The purchaser will have clear title to the lot.

3. The lot does not sell at auction. The holder of the tax note will remain subject to the procedure explained at the tax sale. At the end of one year from the tax note sale, permanent title will convey to the holder of note. The tax note can still be redeemed prior to the one year mark. The tax note holder has the title to the lot as described during the tax note auction, which may or may not be entirely clear.

I will provide any other information to you as it becomes available.

- Scott Schehr