

**IN THE CHANCERY COURT FOR LEWIS COUNTY  
AT HOHENWALD, TENNESSEE**

IN RE:

SENTINEL TRUST COMPANY

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NO. 4781

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**THE COMMISSIONER-IN-POSSESSION'S AND SENTINEL TRUST RECEIVER'S  
MOTION FOR APPROVAL OF SALE OF SENTINEL TRUST HOHENWALD,  
TENNESSEE PROPERTY AND TO CERTIFY ORDER APPROVING SALE AS FINAL  
PURSUANT TO RULE 54.02 TENN.R.CIV.P.**

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**I. INTRODUCTION**

The Commissioner-in-Possession and Sentinel Trust Receiver move the Court for approval of the sale of a Hohenwald, Lewis County, Tennessee office building property, located at 29 W. Main Street in Hohenwald, Tennessee, owned by Sentinel Trust Company ("Hohenwald Property"). Approval of the Court is sought pursuant to T.C.A. § 45-2-1504(a) which states that:

In liquidating a [trust company], the commissioner may exercise any power of the office of commissioner but shall not, without approval of the court in which the notice of possession has been filed:

- (1) Sell any asset of the organization having a value in excess of five hundred dollars (\$500.00).

**II. PROPOSED CONTRACT FOR PURCHASE**

The Commercial Purchase and Sale Agreement for the Hohenwald Property, dated March 20, 2006, is attached as **Exhibit A**. The proposed purchasers are Robert and Aiyoung Allen of Kissimmee, Florida ("the Allens"). The proposed purchase price is \$450,000. The terms and conditions of the purchase are standard. A seller's condition to close is the obtaining of a final court order approving the sale. The sale will include all of the contents of the building, unless it is proven as part of this approval process that someone, other than Sentinel Trust

Company, owns particular items. The computer hardware is also being sold after all information concerning Sentinel Trust Company and its operations has been removed. See Exhibit A at § 8.

### III. APPRAISAL OF PROPERTY

The acting Commissioner-in-Possession and Receiver obtained an appraisal of the real estate and building from a qualified, reputable and local appraiser. That appraisal, dated December 21, 2005, sets the fair market appraised value at \$430,000. See Exhibit B for a copy of the summary of appraisal.<sup>1</sup>

### IV. FACTUAL BACKGROUND

The Hohenwald building was built in the 1999-2000 timeframe. It served as the main office for the operations of Sentinel Trust Company. The property has, since October 15, 2003, been titled in the name of Sentinel Trust Company.<sup>2</sup> See copy of Deed attached as **Exhibit C**. Following the November and December 2004 transfer of fiduciary positions to Successor Trustees, the day-to-day business operations of Sentinel Trust Company being conducted by the Receiver at the Hohenwald Property ceased. Shortly thereafter, all documents and Sentinel Trust records were moved from that location, and it is currently unoccupied. The expenses of upkeep and other monthly charges are ongoing expenses to the Sentinel Trust Receivership. Those expenses would cease upon the sale of the Hohenwald Property.

On October 14, 2004, the Sentinel Trust Receiver signed a listing agreement with Shirley Zeitlin & Company Realtors to market the Hohenwald Property; Affiliate Broker, Arthur D. Victorine, has been the listing agent on the Hohenwald Property. Affidavit of Arthur D. Victorine at ¶¶ 3-4 (“Victorine Aff.”) attached as **Exhibit D**. The initial list price for the

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<sup>1</sup> Counsel for the Receiver will have available, at the April 12, 2006 hearing on this Motion, the complete Appraisal Report which is 62 pages in length.

<sup>2</sup> Prior to that time, the Hohenwald Property was titled in the name of Sentinel Services Corporation, Inc., a company wholly owned by Danny N. Bates.

Hohenwald Property was \$1.1 million. That list price was established based upon a review of tax appraisal records and upon estimations of what construction and related costs were when the building was built back in the 1999-2000. The circumstances surrounding the building (i.e., its size and its location) made obtaining comparable sales information difficult. Victorine Aff. at ¶ 4. The Hohenwald Property has been on the market for approximately seventeen (17) months. Despite active marketing efforts, the first five (5) months yielded very little interest and no offers whatsoever. Victorine Aff. at ¶ 5. In February 2005, the Hohenwald Property was placed on the active MLS listing system at the list price of \$1.1 million and was advertised in a bi-monthly publication, the *Commercial Real Estate Connection in Tennessee*, which has a subscription base of approximately 25,000 commercial real estate agencies and agents across Tennessee. No response or interest was expressed in the Hohenwald Property as a result of these advertising efforts. Victorine Aff. at ¶¶ 6-7. Marketing efforts continued over the following months, but very little interest was expressed and no legitimate offers were received. Victorine Aff. at ¶¶ 8-12.<sup>3</sup>

Through these marketing efforts, Mr. Victorine became convinced that, in order to realistically sell the Hohenwald Property, the Receiver would have to be flexible, especially in relation to the price expected to be offered and the price it would be willing to accept. Victorine Aff. at ¶ 13.

Shortly after the Hohenwald Property was placed on the MLS listing system in February 2005, Ms. Allen contacted Mr. Victorine expressing interest. Indeed, the only consistent interest shown in the Hohenwald Property has been by the current purchasers, the Allens. Victorine Aff.

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<sup>3</sup> The Receiver recalls that one offer of \$250,000 was made verbally from an area financial institution, but was withdrawn verbally when that entity was told it was too low. The Receiver never considered that instance to be a legitimate offer.

at ¶ 14. Toward the end of the year 2005, the Allens made an offer. Through negotiations with the Allens, an agreement to purchase the Hohenwald Property was reached, the terms of which are set forth in the March 20, 2006 Commercial Purchase and Sale Agreement -- i.e., \$450,000. See Exhibit A. Victorine Aff. at ¶ 15. During the time of these negotiations, an appraisal was performed by a qualified appraiser local to and knowledgeable of the area. That appraisal established \$430,000 as a fair market value for the Hohenwald Property. Victorine Aff. at ¶ 16; see also Exhibit B. Also, toward the end of 2005, another couple expressed interest in purchasing, or having their company purchase, the Hohenwald Property. They made an offer, but at a purchase price lower than that offered by the Allens. Because the other couple's offer was for a lower amount than the Allens' offer, the Receiver accepted the Allens' offer, subject to approval of this Court. Victorine Aff. at ¶ 17.

As set forth in Mr. Victorine's Affidavit, based upon his background and experience in marketing the Hohenwald Property, the depressed nature of the economy and real estate market in Lewis County, the limited use of a building that size in Hohenwald, the two offers actually received on the Hohenwald Property and the appraisal, it is his opinion that the Hohenwald Property is very unlikely to sell for an amount materially higher than \$450,000. Victorine Aff. at ¶18.

## **V. FURNISHINGS AND CONTENTS OF BUILDING**

Furnishings and the other contents of the building found by the Court not to be owned by Sentinel Trust Company are excluded from the sale. The furnishings and contents consist mainly of office furniture, office partitions, computer hardware and various odd items of furniture and wall hangings. The only individual known to the acting Commissioner-in-Possession and Receiver as asserting ownership in any of the contents of the building is Danny Bates' wife, June

Bates, who has, in the past, claimed items such as a small love seat, antique chairs, an antique desk, an artificial tree, various pictures and office accessories.<sup>4</sup> A copy of this motion is being sent to Mrs. Bates so that she will know 1) that the Court's approval of this sale will involve the transfer of furniture, some of which she might feel she owns, to the purchasers and 2) that she, or her counsel, should be prepared, at the April 12, 2006 hearing, to submit evidence of ownership sufficient for the Court to find that the particular items belong to her.

## **VI. ARGUMENT IN FAVOR OF APPROVAL OF SALE OF HOHENWALD PROPERTY**

### **a) Authority of Court to Approve Sale**

As noted earlier, T.C.A. § 45-2-1504(a) specifically requires court approval of the sale of a Sentinel Trust asset with a value of over \$500. There is no doubt that the Hohenwald Property is titled in the name of Sentinel Trust Company and that it is a Sentinel Trust Company corporate asset. As such, the sale of the Hohenwald Property requires approval of this Court. T.C.A. § 45-2-1504(a). Moreover, and as is apparent from the Commercial Purchase and Sale Agreement, the closing of the sale is contingent upon gaining court approval. **Exhibit A** at § 8. Accordingly, the Sentinel Trust Receiver asserts that this Court has the authority to enter an order approving the proposed sale and that, without such an order, the sale will not occur. Moreover, this Court and the Tennessee Court of Appeals have previously and specifically found that this Court has authority to approve the sale of the Hohenwald Property. In re: Sentinel Trust Company, #M2005-01773-COA-R3-CV (Tenn. App. slip. op. filed Dec. 29, 2005 at p. 29) (pertinent pages attached as **Exhibit E**).

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<sup>4</sup> When the Receiver was moving materials from the Hohenwald Property in early 2005, Mrs. Bates, through counsel, conveyed that she owned various items. She was informed that, if she provided proof of ownership (e.g., cleared checks and invoices), then she could take the items she claimed. Mrs. Bates has never provided such evidence of ownership.

**b) Court Should Approve Sale**

For all of the reasons set forth previously in this Motion, the proposed sale of the Hohenwald Property should be approved. The \$450,000 purchase price is above the appraised fair market value set in the December 2005 appraisal and is fair. The ongoing and recurring costs of upkeep and related expenses would be saved. It is a Sentinel Trust asset which, through the ongoing liquidation process, should be liquidated.

Certainly, the acting Commissioner-in-Possession and Receiver would prefer to obtain a better price, but the record reflects that it would be unlikely that the Hohenwald Property would sell for materially more than the \$450,000 being offered by the Allens. Victorine Aff. at ¶ 18. Mr. Bates may object to the Court's approval of the sale because he might feel that the purchase price is too low. A similar objection, however, was raised by him earlier in relation to the sale of the Sentinel Trust Bellevue, Tennessee property and was ruled against him. In re: Sentinel Trust Company #M2005-01773-COA-R3-CV (Tenn. App. slip. op. filed Dec. 29, 2005 at p. 29).

**VII. DISPOSITION OF SALE PROCEEDS**

The proceeds of the sale will be treated by the Sentinel Trust Receiver as a Sentinel Trust Company asset and, thus, will be retained by the Sentinel Trust Receiver. To the extent that funds from the sale of the Hohenwald Property remain at the closure of this receivership, the Receiver intends to request that the Court allow the transfer of those remaining funds to assist in addressing the shortfall in the Pooled Fiduciary Account/to be used to pay the claimants to the shortfall in the Pooled Fiduciary Account.

**VIII. REQUEST TO CERTIFY ANY ORDER APPROVING SALE AS FINAL PURSUANT TO RULE 54.02 TENN.R.CIV.P.**

As noted in the Commercial Purchase and Sale Agreement, a contingency to the sale is that the Court order approving the sale be a final order. **Exhibit A** at § 8. In order to render an

approval of the sale of the Hohenwald Property as final, a Rule 54.02 Tenn.R.Civ.P. certification by this Court is needed.

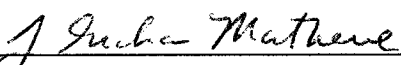
The Sentinel Trust Receiver's request for a Rule 54.02 certification of final order is not merely a superfluous procedural request. Rather, the Sentinel Trust Receiver has been informed that in order to gain a clean title insurance policy, which will be a requirement of closing, the needed approval order must be final -- which, of course, makes sense because no title company would issue such a policy if the specter of an appeal of an order approving the sale remained.

To that end, the Sentinel Trust Receiver requests that, if the Court enters an order approving the sale of the Hohenwald Property to the Allens, based on the terms set forth in **Exhibit A** hereto, then the Court is also requested to make the express determination that there is no just reason to delay that order from becoming final and to further expressly direct the Clerk & Master to enter the order as a final order. Rule 54.02 Tenn.R.Civ.P.

#### IX. CONCLUSION

For the reasons stated herein, the Sentinel Trust Receiver requests that the Court grant this motion and enter an order consistent with the relief requested herein.

Respectfully submitted,

  
\_\_\_\_\_  
J. Graham Matherne, BPR #11294  
Wyatt, Tarrant & Combs, LLP  
2525 West End Avenue, Suite 1500  
Nashville, TN 37203-1423  
(615) 244-0020

*Counsel for Receivership Management, Inc.,  
Receiver of Sentinel Trust Company*

*Janel M. Kleinfelter (by G. Mathew  
w/ permission)*  
Janel M. Kleinfelter  
Attorney General's Office  
425 5<sup>th</sup> Avenue North  
P.O. Box 20207  
Nashville, TN 37243  
(615) 741-7403

*Counsel for Acting Commissioner Greg Gonzales*

**THIS MOTION IS SET TO BE HEARD ON THE 12<sup>TH</sup> DAY OF APRIL, 2006 AT  
1:00 P.M. IN HOHENWALD, LEWIS COUNTY, TENNESSEE**

**However, pursuant to Previous Order of Court (entered September 9, 2005), if no written objections are filed and served by April 5, 2006, movants are relieved from being present in Hohenwald, Lewis County, Tennessee for the hearing of this Motion, and the Motion will be granted, absent timely-filed written objections, absent concern of the Court or absent material oral objections made on April 12, 2006.**

**CERTIFICATE OF SERVICE**

This is to certify that on March 24<sup>th</sup> 2006 a copy of the foregoing Motion has been sent by First Class U.S. Mail, postage paid, and also by facsimile as noted, to:

James S. Chase  
John A. Decker  
Hunton & Williams LLP  
900 South Gay Street, Suite 2000  
P.O. Box 951  
Knoxville, TN 37901

Carrol D. Kilgore  
Attorney at Law  
95 White Bridge Road  
Suite 509, Cavalier Building  
Nashville, TN 37205-1427  
also via fax (615-356-8138)

Donald Schwendimann  
12 East Fourth Avenue  
P.O. Box 366  
Hohenwald, TN 38462  
also via fax (931-796-5692)

Larry Stewart  
Stokes, Bartholomew, Evans & Petree  
424 Church Street, Suite 2800  
Nashville, TN 37219

David D. Peluso  
P.O. Box 250  
Hohenwald, TN 38462-0250

James S. Hereford, Jr.  
310 W. College Street  
P.O. Box 802  
Fayetteville, TN 37334-0802


William B. Hubbard  
Weed, Hubbard, Berry & Doughty  
SunTrust Bank Bldg., Suite 1420  
201 Fourth Avenue North  
Nashville, TN 37219

Diana M. Thimmig  
Roetzel & Andress  
1375 East Ninth Street  
One Cleveland Center, Ninth Floor  
Cleveland, OH 44114

June Bates  
205 Bastin Cemetery Road  
Hohenwald, TN 38462

Robert and Aieyoung Allen  
2611 West Vine Street  
Kissimmee, FL 34741

Arthur D. Victorine  
Shirley Zeitlin & Company Realtors  
4301 Hillsboro Road, Suite 100  
Nashville, TN 37215

  
\_\_\_\_\_  
J. Graham Matherne

EXHIBIT

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## COMMERCIAL PURCHASE AND SALE AGREEMENT

1. **Purchase and Sale.** The undersigned buyer Robert L. Allen Jr. and Aieyoung Allen ("Buyer") agrees to buy and the undersigned seller Sentinel Trust Co. acting through its Receiver ("Seller") agrees to sell all that tract or parcel of land, with such improvements as are located thereon, described as follows: All that tract of land known as: 29 W. Main St. (Address), Hohenwald (City), TN (State), 38462 (Zip), as recorded in Lewis County Register Office, 43 deed book(s), 366 page(s), and further described as: 29 W. Main St. - Hohenwald, TN 38462

together with all fixtures, landscaping, improvements, and appurtenances, all being hereinafter collectively referred to as the "Property", as more particularly described in Exhibit "A", or if no Exhibit "A" is attached as is recorded with the Register of Deeds of the county in which the Property is located and is made a part of this Agreement by reference.

2. **Purchase Price.** The total purchase price for the Property shall be Four Hundred and Fifty Thousand U.S. Dollars, (\$ 450,000.00 ) ("Purchase Price"), and is subject to all prorations and adjustments and shall be paid by Buyer at the Closing by cash, wire transfer of immediately available funds, cashier's check or certified check.

3. **Earnest Money.** Buyer has deposited the sum of \$ 15000.00 with Shirley Zeitlin & Co., Realtors ("Holder"). This sum ("Earnest Money") has been received by Holder and is to be applied as part of the Purchase Price at Closing. The Earnest Money shall be deposited in Holder's escrow account within five (5) banking days from the Binding Agreement Date. In the event any Earnest Money check is not honored, for any reason, by the financial institution from which it is drawn, Holder shall promptly notify Buyer and Seller. Buyer shall have three (3) banking days after notice to deliver good funds to Holder. In the event Buyer does not timely deliver good funds to Holder, this Agreement shall automatically terminate and Holder shall notify the parties of the same. Holder shall disburse Earnest Money only as follows: (a) at Closing; (b) upon a subsequent written agreement signed by Buyer and Seller; (c) as set forth below in the event of a dispute regarding Earnest Money. No party shall seek damages from Holder, nor shall Holder be liable for any such damages, for any matter arising out of or related to the performance of Holder's duties hereunder.

**Disputes Regarding Earnest Money.** In the event Buyer or Seller notifies Holder of a dispute regarding the disposition of Earnest Money that Holder cannot resolve, Holder shall settle the dispute as follows:

[Select A, B or C below. The section not selected is not part of this Agreement.]

**A. Reasonable Interpretation by Holder.** Holder shall have the right to disburse all or any portion of the Earnest Money upon a reasonable interpretation of this Agreement by Holder. Prior to disbursing Earnest Money pursuant to a reasonable interpretation of this Agreement, Holder shall give all parties fifteen (15) days notice stating to whom the disbursement will be made. Any party may object in writing to the disbursement, provided the objection is received by Holder prior to the end of the fifteen-day (15) notice period. All objections not raised in a timely manner shall be waived. In the event a timely objection is made, Holder shall consider the objection and shall do any or a combination of the following: (i) hold the Earnest Money for a reasonable period of time to give the parties an opportunity to resolve the dispute; and/or (ii) disburse the Earnest Money and so notify all parties.

**B. Arbitration.** Buyer and Seller agree that any earnest money dispute shall be settled by arbitration in accordance with \_\_\_\_\_ or another arbitrator mutually agreeable to the parties ("Arbitrator"), to settle the earnest money dispute. The award of the Arbitrator shall be final and binding upon the parties hereto, and Holder shall promptly disburse the Earnest Money in accordance with said award. The costs of any such arbitration shall be shared equally between Buyer and Seller and shall promptly be paid directly to the Arbitrator.

**C. Interplead.** Buyer and Seller agree to interplead the Earnest Money into a court of competent jurisdiction. Holder shall be reimbursed for, and may deduct from, any funds interpleaded, its costs and expenses, including reasonable attorney's fees. The prevailing party in the interpleader action shall be entitled to collect from the other party the costs and expenses reimbursed to the Holder, and upon payment of such funds into the court registry, Holder shall be released from all further liability in connection with the funds delivered.



48 **4. Inspection.** Prior to closing, Buyer and Buyer's agents shall have the right to enter upon the Property at Buyer's expense  
 49 and at reasonable times, to inspect, survey, examine, and test the Property as Buyer may deem necessary as part of Buyer's  
 50 acquisition of the Property. Buyer shall indemnify and hold Seller and all Brokers harmless from and against any and all  
 51 claims, injuries, and damages to persons and/or property arising out of or related to the exercise of Buyer's rights hereunder.  
 52 Buyer shall have 14 days from the Binding Agreement Date ("Due Diligence Period") to evaluate the Property, the  
 53 feasibility of the transaction, the availability and cost of financing, and any other matter of concern to Buyer. During the Due  
 54 Diligence Period, Buyer shall have the right to terminate this Agreement upon notice to Seller if Buyer determines, based on  
 55 an evaluation of the above, that it is not desirable to proceed with the transaction. In such event, Holder shall promptly refund  
 56 Buyer's Earnest Money in accordance with the Earnest Money Paragraph above. Within 14 days from the Binding  
 57 Agreement Date, Seller shall deliver to Buyer copies of the materials concerning the Property referenced in Exhibit "B"  
 58 (collectively "Due Diligence Materials"), which materials shall be promptly returned by Buyer if Agreement does not close  
 59 for any reason. If Buyer fails to timely notify Seller that it is not proceeding with the transaction, Buyer shall waive its  
 60 rights to terminate this Agreement pursuant to this paragraph.

61 **5. Title.**

62 **A. Warranties of Seller.** Seller warrants that at Closing, Seller shall convey good and marketable, fee simple title to  
 63 the Property to Buyer, subject only to the following exceptions ("Permitted Exceptions"):

- 64 (1) Liens for ad valorem taxes not yet due and payable;
- 65 (2) Those exceptions to which Buyer does not object or which Buyer waives in accordance with the Title Objections  
 66 paragraph below. "Good and Marketable, fee simple title" with respect to the Property shall be such title: (a) as is  
 67 classified as "marketable" under the laws of Tennessee; and (b) as is acceptable to and insurable by a title company doing  
 68 business in Tennessee ("Title Company"), at standard rates on an American Land Title Association Owner's Policy  
 69 ("Title Policy").

*DATE SELLER PROVIDES BUYER WITH A TITLE COMMITMENT*

70 **B. Title Objections.** Buyer shall have 7 days from the ~~Binding Agreement Date~~ in which to furnish Seller with a  
 71 written statement of any title objections, UCC-1 or UCC-2 Financing Statements, and encroachments, and other facts  
 72 affecting the marketability of the Property as revealed by a current title examination and survey. Seller shall have  
 73 7 days from the receipt of such objections (the "Title Cure Period") to cure all valid title objections. Seller shall  
 74 satisfy any existing liens or monetary encumbrances identified by Buyer as title objections which may be satisfied by  
 75 the payment of a sum certain prior to or at Closing. Except for Seller's obligations in the preceding sentence, if Seller  
 76 fails to cure any other valid title objections of Buyer within the Title Cure Period (and fails to provide Buyer with  
 77 evidence of Seller's cure satisfactory to Buyer and to the Title Company), then within five (5) days of the expiration of  
 78 the Title Cure Period, Buyer may as Buyer's sole remedies: (1) rescind the transaction contemplated hereby, in which  
 79 case Buyer shall be entitled to the return of Buyer's Earnest Money; (2) waive any such objections and elect to close the  
 80 transaction contemplated hereby irrespective of such title objections and without reduction of the Purchase Price; or  
 81 (3) extend the Closing Date period for a period of up to fifteen (15) days to allow Seller further time to cure such valid  
 82 title objections. Failure to act in a timely manner under this paragraph shall constitute a waiver of Buyer's rights  
 83 hereunder. Buyer shall have the right to reexamine title prior to Closing and notify Seller at Closing of any title  
 84 objections which appear of record after the date of Buyer's initial title examination and before Closing.

85 **6. Closing.**

86 **A. Closing Date.** This transaction shall be consummated ("Closing") at the office of  
 87 Wyatt, Tarrant, Combs LLP *WITHIN 30 DAYS AFTER THE BINDING AGREEMENT DATE* on \_\_\_\_\_, \_\_\_\_\_, or at such other time and  
 88 places the parties may agree upon in writing (the "Closing Date").

89 **B. Possession.** Seller shall deliver possession and occupancy of the Property to Buyer at Closing, subject only to the  
 90 rights of tenants in possession and the Permitted Exceptions.

91 **7. Seller's Obligations at Closing.** At Closing, Seller shall deliver to Buyer: (a) a Closing Statement; (b) ~~Limited~~ *SPECIAL*  
 92 Warranty Deed; (c) FIRPTA Affidavit (indicating that Seller is not a "foreign person" or "foreign corporation" as that term is  
 93 defined in Section 1445(f)(3) of the Internal Revenue Code of 1986); (d) a transfer tax declaration form properly signed and  
 94 executed by the Seller; and (e) all documents which Seller must execute under the terms of this Agreement to cause the Title  
 95 Company to deliver to Buyer the Title Policy including, without limitation, a title affidavit from Seller to Buyer and to the  
 96 Title Company in the form customarily used in Tennessee commercial real estate transactions so as to enable the Title  
 97 Company to issue Buyer the Title Policy with all standard exceptions deleted and subject only to Permitted Exceptions and  
 98 evidence reasonably satisfactory to Buyer at Closing all documents/items indicated in Exhibit "C"; if any (all documents to  
 99 be delivered by Seller under this paragraph, including all documents/items indicated in Exhibit "C" are collectively "Seller's  
 100 Closing Documents").



101 8. Conditions to Closing.

102 The sellers obligation to sell is contingent upon court approval of  
 103 the sale per a Final Order.  
 104 All contents of building to remain - (Attachment 1 - A,B,C,D).  
 105 Some personal claims for contents currently exist and where proof of  
 106 ownership can be established by the court these items may be removed.  
 107 However upon a final order all items determined by the court to be  
 108 the property of Sentinel Trust Company will remain.  
 109 Once the contract is finalized all computers within the property will  
 110 be accessed to remove any information that is relevent to the  
 111 previous owners (Sentinel Trust) business activities.  
 112 Owners to provide instructions on operation of two (2) safe vaults  
 113 within the property.  
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120 9. Costs.

- 121 A. Seller's Costs. Seller shall pay the cost of recording any title curative documents, including without limitation,  
 122 satisfactions of deeds to secure debt, quitclaim deeds and financing statement termination; all deed recording fees; the  
 123 fees of Seller's counsel and, if checked,  all transfer taxes, otherwise Buyer is responsible for transfer taxes;  
 124 B. Buyer's Costs. Buyer shall pay the cost of Buyer's counsel and consultants; any costs in connections with Buyer's  
 125 inspection of the Property and any costs associated with obtaining financing for the acquisition of the Property  
 126 (including any intangibles tax, all deed recording fees and the cost of recording Buyer's loan documents.)  
 127 C. Additional Costs. In addition to the costs identified above, the following costs shall be paid by the parties hereto as  
 128 indicated below:

<u>Item to be Paid</u>	<u>Paid by Seller</u>	<u>Paid by Buyer</u>
130 Survey	<input type="checkbox"/>	<input checked="" type="checkbox"/>
131 Title Examination	<input checked="" type="checkbox"/>	<input type="checkbox"/>
132 Premium for Owner's Title Insurance Policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
133 Other: _____	<input type="checkbox"/>	<input type="checkbox"/>

134 10. Taxes and Prorations. Real estate taxes on the Property for the calendar year in which the Closing takes place shall be  
 135 prorated as of 12:01 a.m. on the Closing Date. Seller shall be responsible (even after Closing) for paying all taxes  
 136 (including previous reassessments) on the Property for the time period during which Seller owned the Property and shall  
 137 indemnify the Buyer therefore. In addition, the following items shall also be prorated as of 12:01 a.m. on the Closing Date  
 138 [Select only those that apply to this transaction; the items not selected shall not apply to this Agreement]:

- 139  Utilities                       Service Contracts                       Tenant Improvement Costs  
 140  Rents                                       Leasing Commissions                       Other: \_\_\_\_\_

141 11. Representations and Warranties.

- 142 ~~A. Seller's Representations and Warranties. As of the Binding Agreement Date and the Closing Date, Seller~~  
 143 ~~makes the representations and warranties to Buyer, if any, as indicated on Exhibit "D."~~  
 144 B. Buyer's Representations and Warranties. As of the Binding Agreement Date and the Closing Date, Buyer  
 145 represents and warrants to Seller that Buyer has the right, power and authority to enter into this Agreement and to  
 146 consummate the transaction contemplated by the terms and conditions of this Agreement; and the persons executing  
 147 this Agreement on behalf of Buyer have been duly and validly authorized by Buyer to execute and deliver this Agreement  
 148 and shall have the right, power and authority to enter into this Agreement and bind Buyer.

149 12. Agency and Brokerage.

150 A. Agency.

151 (i) In this Agreement, the term "Broker" shall mean a licensed Tennessee real estate broker or brokerage firm and where

*Handwritten signature/initials*



the context would indicate the Broker's affiliated licensees. No Broker in this transaction shall owe any duty to Buyer or Seller greater than what is set forth in their brokerage engagements and the Tennessee Code Annotated 62-13-101 et seq. and the Tennessee Real Estate Commission rules and regulations;

- (2) Seller and Buyer acknowledge that if they are not represented by a Broker they are each solely responsible for their own interests, and that Broker's role is limited to performing ministerial acts for either party;
- (3) The Broker, if any, working with the Seller is identified on the signature page as the "Listing Company"; and said Broker is  , OR, is not  representing the Seller;
- (4) The Broker, if any, working with the Buyer is identified on the signature page as the "Selling Company", and said Broker is  , OR, is not  representing the Buyer; and
- (5) If Buyer and Seller are both being represented by the same Broker, a relationship of either designated agency  , OR, dual agency  shall exist.

(a) **Dual Agency Disclosure.** *[Applicable only if dual agency has been selected above]* Seller and Buyer are aware that Broker is acting as a dual agent in this transaction and consent to the same. Seller and Buyer have been advised that:

- 1. In serving as a dual agent the Broker is representing two clients whose interests are, or at times could be, different or even adverse;
- 2. The Broker will disclose all adverse, material facts relevant to the transaction, and actually known to the dual agent, to all parties in the transaction except for information made confidential by request or instructions from another client which is not otherwise required to be disclosed by law;
- 3. The Buyer and Seller do not have to consent to dual agency; and
- 4. The consent of the Buyer and Seller to dual agency has been given voluntarily and the parties have read and understand their brokerage engagement agreements;
- 5. Notwithstanding any provision to the contrary contained herein, Seller and Buyer each hereby direct Broker, if acting as a dual agent, to keep confidential and not reveal to the other party any information which could materially and adversely affect their negotiating position.

(b) **Designated Agency Assignment.** *[Applicable only if designated agency has been selected above]*

The Broker has assigned affiliate licensee \_\_\_\_\_ to work exclusively with Buyer as Buyer's Designated Agent and affiliate licensee \_\_\_\_\_ to work exclusively with Seller as Seller's Designated Agent. Each Designated Agent shall exclusively represent the party to whom each has been assigned as a client and shall not represent in this transaction the client assigned to the other Designated Agent.

(c) **Material Relationship Disclosure.** *[Required with dual Agency]* The Broker and/or affiliated licensees have no material relationship with either client except as follows: \_\_\_\_\_

A material relationship means one of a personal, familial or business nature between the Broker and affiliate licensees and a client which would impair their ability to exercise fair judgment relative to another client.

Seller Initials   Buyer Initials

**B. Brokerage.** Seller agrees to pay Listing Broker at closing the compensation specified by separate agreement.

The Listing Broker will direct the closing agency / attorney to pay the Selling Broker, from the commission received, an amount in accordance with the terms and provisions specified by separate agreement.

**13. Disclaimer.** It is understood and agreed that the real estate firms and real estate licensee(s) representing or assisting the Seller or the Buyer are not parties to this Agreement and do not have or assume liability for the performance or nonperformance of Seller or Buyer. Buyer and Seller agree that Brokers shall not be responsible for any matter which could have been revealed through a survey, title search or inspection of the Property; for the condition of the Property, any portion thereof, or any item therein; for the necessity or cost of any repairs to the Property; for hazardous or toxic materials; for the tax or legal consequences of this transaction; for the appraised or future value of the Property; any condition(s) existing off the Property which may affect the Property; for the terms, conditions and availability of financing; and for the uses and zoning of the Property whether permitted or proposed. Buyer and Seller acknowledge that Brokers are not experts with respect to the above matters and that, if any of these matters or any other matters are of concern to them, they shall seek independent expert advice relative thereto.

**14. Destruction of Property Prior to Closing.** If the Property is destroyed or substantially destroyed prior to Closing, Seller shall give Buyer prompt notice thereof, which notice shall include Seller's reasonable estimate of: (1) the cost to restore and repair the damage; (2) the amount of insurance proceeds, if any, available for the same; and (3) whether the



204 damage will be repaired prior to Closing. Upon notice to Seller, Buyer may terminate this Agreement within seven (7) days  
 205 of receiving such notice from Seller. If Buyer does not terminate this Agreement, Buyer shall be deemed to have accepted the  
 206 Property with the damage and shall receive at Closing (1) any insurance proceeds which have been paid to Seller but not yet  
 207 spent to repair the damage, and (2) an assignment of all unpaid insurance proceeds on the claim. Buyer may request in  
 208 writing, and Seller shall provide within five (5) business days, all documentation necessary to confirm insurance coverage  
 209 and/or payment or assignment of insurance proceeds.

210 **15. Other Provisions.**

211 **A. Exhibits, Binding Effect, Entire Agreement, Modification, Assignment, and Binding**

212 **Agreement Date.** This Agreement shall be for the benefit of, and be binding upon, the parties hereto, their heirs,  
 213 successors, legal representatives and permitted assigns. This Agreement constitutes the sole and entire agreement between  
 214 the parties hereto and no modification of this Agreement shall be binding unless signed by all parties or assigns to this  
 215 Agreement. No representation, promise, or inducement not included in this Agreement shall be binding upon any party  
 216 hereto. Any assignee shall fulfill all the terms and conditions of this Agreement. The parties hereby authorize either  
 217 licensee to insert the time and date of the notice of acceptance of the final offer and further agree to be bound by such as  
 218 the binding agreement date following the signatory section of this Agreement.

219 **B. Survival Clause.** Any provision herein contained, which by its nature and effect, is required to be performed after  
 220 closing shall survive the closing and delivery of the deed and shall remain binding upon the parties to this Agreement  
 221 and shall be fully enforceable thereafter. ~~Notwithstanding the above, the representations and warranties made in~~  
 222 ~~Exhibit "D" shall survive the Closing for a period of \_\_\_\_\_ days from the date of Closing.~~ *By [Signature] RA*

223 **C. Governing Law and Venue.** This Agreement is intended as a contract for the purchase and sale of real property and  
 224 shall be interpreted in accordance with the laws and in the courts of the state of Tennessee.

225 **D. Time of Essence.** Time is of the essence of this Agreement.

226 **E. Terminology.** As the context may require in this Agreement: (1) the singular shall mean the plural and vice versa,  
 227 and (2) all pronouns shall mean and include the person, entity, firm, or corporation to which they relate.

228 **F. Responsibility to Cooperate.** Buyer and Seller agree to timely take such actions and produce, execute, and/or  
 229 deliver such information and documentation as is reasonably necessary to carry out the responsibilities and obligations  
 230 of this Agreement. Except as to matters which are occasioned by clerical errors or omissions or erroneous information,  
 231 the approval of the closing documents by the parties shall constitute their approval of any differences between this  
 232 Agreement and the closing. The Buyer and Seller agree that if requested after closing they will correct any documents and  
 233 pay any amounts due where such corrections or payments are appropriate by reason of mistake, clerical errors or  
 234 omissions, or the result of erroneous information.

235 **G. Notices.** Except as otherwise provided herein, all notices and demands required or permitted hereunder shall be  
 236 in writing and delivered either (1) in person, (2) by a prepaid overnight delivery service, (3) by facsimile transmission  
 237 (FAX), (4) by the United States Postal Service, postage prepaid, registered or certified return receipt requested or  
 238 (5) Email. Notice shall be deemed to have been given as of the date and time it is actually received. Receipt of notice by  
 239 the Broker representing a party as a client pursuant to a written agency agreement shall be deemed to be notice to that  
 240 party for all purposes herein.

241 **H. Risk of Loss.** The risk of hazard or casualty loss or damage to the Property shall be borne by the Seller until  
 242 transfer of title. If casualty loss exceeds 10% of the purchase price, Buyer may rescind with full refund of Earnest  
 243 Money.

244 **I. Remedies.** In the event of a breach of this Agreement, the non-breaching party may pursue all remedies available at  
 245 law or in equity except where the parties have agreed to arbitrate. Notwithstanding the above, if Buyer breaches Buyer's  
 246 obligations or warranties herein Seller shall have the option to request that Holder pay the Earnest Money to Seller,  
 247 which if disbursed to Seller by Holder shall constitute liquidated damages in full settlement of all claims by Seller. Such  
 248 liquidated damages are agreed to by the parties not to be a penalty and to be a good faith estimate of Seller's actual  
 249 damages, which damages are difficult to ascertain.

250 **J. Equal Opportunity.** This Property is being sold without regard to race, color, sex, religion, handicap, familial  
 251 status, or national origin.

252 **16. Time Limit of Offer.**

253  This Offer may be withdrawn at any time before acceptance; but if this box is checked, Offer terminates if not countered  
 254 or accepted by \_\_\_\_\_ o'clock  am;  pm; on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.



*Bob Ray*

\*

255 ~~17. Exhibits and Addenda. All exhibits and/or addenda attached hereto, listed below, or referenced herein are made a part of~~  
256 ~~this Agreement. If any such exhibit or addendum conflicts with any preceding paragraph, said exhibit or addendum shall~~  
257 ~~control:~~

- 258 ~~Exhibit "A" Legal Description~~
- 259 ~~Exhibit "B" Due Diligence Materials~~
- 260 ~~Exhibit "C" Addition to Seller's Closing Documents~~
- 261 ~~Exhibit "D" Seller's Warranties and Representations~~

262 18. Special Stipulations. The following Special Stipulations, if conflicting with any preceding paragraph, shall control:

263 All subject to court approval.  
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303 19. Method of Execution. The parties agree that signatures and initials transmitted by facsimile, other photocopy  
304 transmittal, or by transmittal of digital signature as defined by the applicable State or Federal Law will be acceptable and  
305 may be treated as originals and that the final Purchase And Sale Agreement containing all signatures and initials may be  
306 executed partially by original signature and partially on facsimile, other photocopy documents, or by digital signature as  
307 defined by the applicable State or Federal Law.



308 NOTE: Any provisions of this Agreement which are preceded by a box "  " must be marked to be a  
309 part of this Agreement.

310 Signed this the 20 day of March, 2006 at 600 o'clock  am;  pm; and a copy hereof received:

311  
312 BUYER Ale Young Allen BUYER Robert L. Alt

313 The foregoing offer is ACCEPTED at \_\_\_\_\_ o'clock  am;  pm; this 23rd day of March.

314 Jane Bryant Receiver

315 SELLER Sentinel Trust Company SELLER

316 The Sellers have COUNTERED this offer subject to the terms of the attached Counter Offer or the changes made herein at

317 \_\_\_\_\_ o'clock  am;  pm; this \_\_\_\_\_ day of \_\_\_\_\_.

318

319 SELLER Receiver, Sentinel Trust SELLER

320 The Sellers have REJECTED this offer and make no counter offer. \_\_\_\_\_ o'clock  am;  pm;

321 this \_\_\_\_\_ day of \_\_\_\_\_.

322

323 SELLER SELLER

324 Binding Agreement Date. This instrument shall become a "Binding Agreement" on the date ("Binding Agreement Date")  
325 the last offeror, or licensee of offeror, receives notice of offeree's acceptance. Notice of acceptance of the final offer was provided  
326 on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ at \_\_\_\_\_ time by \_\_\_\_\_ name

327 For Information:  
328 Shirley Zeitlin & Company, Realtors  
329 Listing Company  
330 Arthur D. Victorine  
331 Independent Licensee

Shirley Zeitlin & Company, Realtors  
Selling Company  
Arthur D. Victorine  
Independent Licensee

NOTE: This form is provided by TAR to its members for their use in real estate transactions and is to be used as is. By downloading and/or using this form, you agree and covenant not to alter, amend, or edit said form or its content except as where provided in the blank fields, and agree and acknowledge that any such alteration, amendment or edit of said form is done at your own risk. Use of the TAR logo in conjunction with any form other than standardized forms created by TAR is strictly prohibited. This form is subject to periodic revision and it is the responsibility of the member to use the most recent available form.

Attachment 1  
A

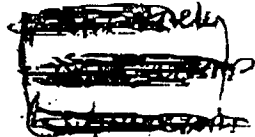
25 TELE PHONES

STG FURNITURE INVENTORY - HOHENWALD

✓ TROY ANDERSON off #3

- ✓ 3 2-DRAWER FILE CABINET
  - ✓ 1 WOODEN DESK
  - ✓ 1 WOODEN CREDENZA
  - ✓ 2 LEATHER SIDE CHAIRS
- 1 chair mat

✓ MIKE O'BRIEN off #2

- ✓ 1 4-DRAWER FILE CABINET
  - ✓ 1 WOODEN DESK
  - ✓ 1 WOODEN CREDENZA
  - ✓ 1 LEATHER OFFICE CHAIR
  - ✓ 1 MAHOGANY SIDE CHAIR
  - ✓ 1 METAL ASH TRAY
- 

✓ TODD BATES off #1

- ✓ 1 4-DRAWER FILE CABINET
- ✓ 1 WOODEN DESK
- ✓ 1 WOODEN CREDENZA
- ✓ 1 LAMP
- ✓ 1 COAT RACK
- ✓ 1 LEATHER OFFICE CHAIR
- ✓ 1 LEATHER SIDE CHAIR

✓ VAULT

- ✓ 2 5-DRAWER LATERAL FILE CABINETS
- ✓ 1 SAFE

✓ CUBE #13

- ✓ U-SHAPED DESK UNIT (DESK, SIDE ARM, CREDENZA, LATERAL SHELVES)
  - ✓ 1 OFFICE CHAIR
  - ✓ 2-DRAWER FILE CABINET
  - ✓ STACKABLE METAL CHAIR
- 1 printer  
1 PC monitor, keyboard  
1 chair mat mouse

✓ CUBE #12

- ✓ U-SHAPED DESK UNIT
  - ✓ 1 OFFICE CHAIR
  - ✓ 1 LEATHER SIDE CHAIR
  - ✓ 1 MAHAGONY CHAIR
  - ✓ 1 GRAY 2-DRAWER FILE CABINET
  - ✓ 1 METAL LETTER BOX
- 2 FAX MACHINES  
1 chair mat

✓ COPY CUBE #11

- ✓ 2-DRAWER FILE CABINET
  - ✓ 1 FOLDING TABLE
  - ✓ 1 BLACK WOODEN CHAIR
  - ✓ 3 LEVEL OPEN BOOKCASE
- 5 WASTE CANS  
1 chair mat

✓ OPEN AREA

- ✓ VAULT CONTENTS - 7 SHELF METAL BOOKCASE
  - ✓ FOLDING TABLE
  - ✓ LARGE CABINETS (BANK CABINETS)
  - ✓ SMALL METAL TABLE
  - 2 ✓ BLACK WOODEN CHAIR
  - ✓ STACKABLE METAL CHAIR
  - ✓ SMALL SAFE
  - ✓ WATER UNIT
- 1 PAPER CUTTER

Office #4

- 1 WOODEN DESK
- 1 WOODEN CREDENZA
- 1 BENCH CHAIR
- 2 WOODEN SIDE CHAIRS
- 1 CALCULATOR
- 1 mouse pad keyboard mouse
- 1 printer

Attachment 1  
B

✓ CUBE #8

- ✓ 1 U-SHAPED DESK UNIT
- ✓ 1 3-DRAWER LATERAL FILE CABINET

- 3 CALCULATORS
- 1 THERMOPAPER
- 1 PC BATTERY OPERATED PRINTER
- 1 DESK MAT 2 BOTTLES

✓ CUBE #9

- ✓ 1 U-SHAPED DESK UNIT
- ✓ 1 4-DRAWER LATERAL FILE CABINET
- ✓ 1 3-DRAWER LATERAL FILE CABINET

- 1 PORTABLE PRINTER
- 1 THERMOPAPER
- 1 DESK MAT

✓ CUBE #10

- ✓ 1 U-SHAPED DESK UNIT
- ✓ 1 3-DRAWER LATERAL FILE CABINET
- ✓ 1 STACKABLE METAL CHAIR

1 SHOPPING SCARF

✓ RECEPTION

- ✓ 1 L-SHAPED WOODEN RECEPTION DESK
- ✓ 1 LEATHER OFFICE CHAIR
- ✓ 2 WOODEN SIDE CHAIRS
- ✓ 2 CLOTH RECEPTION CHAIRS (SIDE CHAIRS)
- ✓ 1 END TABLE
- ✓ 1 LAMP
- ✓ 1 FLAG
- ✓ 1 LARGE LIBRARY TABLE
- ✓ 1 BRONZE DEER
- ✓ 1 BRONZE STATUE
- ✓ 1 ENGLISH HUNTING PRINT
- ✓ 1 FAKE TREE
- ✓ 1 STRIPED LOVE SEAT

(1) PC/MINITOL  
KEYBOARD + MOUSE

✓ DANNY BATES

- ✓ 1 EXECUTIVE DESK
- ✓ 1 3-CORNER CREDENZA AND COMPUTER UNIT
- ✓ 1 CONFERENCE ROOM CHAIR
- ✓ 2 HIGHBACK PURPLE SIDE CHAIRS
- ✓ 1 BUILT IN SHELF AND DRAWER UNIT
- ✓ 1 AMAZING GRACE PICTURE

✓ HALL

- ✓ 1 CURVED DISPLAY DESK
- ✓ 2 LAMPS
- ✓ 1 MIRROR

FLOWER ARRANGEMENT

✓ CONFERENCE ROOM

- ✓ 1 BOARDROOM TABLE
- ✓ 8 PURPLE CONFERENCE CHAIR
- ✓ 1 DRY ERASE EASEL
- ✓ 1 TV ON STAND

Picture -  
FLOWER ARRANGEMENT  
2-SILVER W/ B+WOOD 1 WASTE CAN

CUBE

- ✓ 1 U-SHAPED DESK UNIT
- ✓ 1 OFFICE CHAIR
- ✓ 1 5-DRAWER LATERAL FILE CABINET
- ✓ 1 STACKABLE METAL CHAIR

✓ CUBE 1

- ✓ 1 U-SHAPED DESK UNIT
- ✓ 1 3-DRAWER LATERAL FILE CABINET

✓ CUBE 10

- ✓ 1 U-SHAPED DESK UNIT
- ✓ 1 OFFICE CHAIR
- ✓ 1 STACKABLE METAL CHAIR

✓ CUBE 6

- ✓ 1 U-SHAPED DESK
- ✓ 1 Office Chair (CONF TYPE)

Attachment 3  
C

✓ CUBE 3

- ✓ 1 U-SHAPED DESK UNIT
- ✓ 5-DRAWER LATERAL FILE CABINET

6 WASTE BASKETS

✓ RECEPTION

- ✓ 1 L-SHAPED WOODEN RECEPTION DESK
- ✓ 1 OFFICE CHAIR
- ✓ 1 SOFA TABLE
- ✓ 2 GLASS VASES
- ✓ 1 GOLD EASEL
- ✓ 2 GREEN PLANTS
- ✓ 2 PURPLE HIGHBACK SIDE CHAIRS
- ✓ 1 END TABLE
- ✓ 1 LAMP
- ✓ 1 LANDSCAPE PICTURE

✓ COMPUTER EQUIPMENT ROOM

- ✓ 1 OPEN 7-DRAWER METAL FILE CABINET
- ✓ 1 DESK CHAIR
- ✓ 1 STACKABLE METAL CHAIR
- ✓ 1 SHOP VAC
- 2 ✓ 1 3-CORNER COMPUTER DESK/TABLE

7 PC TOWERS  
2 MONITORS  
4 KEYBOARDS  
OTHER PC PARTS

✓ SUPPLY

- ✓ 5 PLASTIC BOXES OF CHRISTMAS DECORATIONS

- ✓ 1 CHRISTMAS TREE
- ✓ 8 FOLDING CHAIRS
- ✓ 2 STACKABLE METAL CHAIRS
- ✓ 1 PLASTIC SHELF UNIT
- ✓ MOPS AND CLEANING SUPPLIES

1 VACUUM  
1 FAN  
1 WIRE/DRY VAC  
MISC. SUPPLIES

✓ CUBE 4

- ✓ 1 U-SHAPED DESK UNIT

✓ SUPPLY CUBE 5

- ✓ 2 WHITE PLASTIC TABLES
- ✓ 1 OPEN 3-SHELF UNIT
- 2 ✓ 1 SMALL 3-SHELF UNIT
- VARIOUS SUPPLIES

1 2 SHELF UNIT

✓ CUBE 2

- ✓ 1 U-SHAPED DESK UNIT
- ✓ 1 PURPLE CONFERENCE ROOM CHAIR (BLUE?)

✓ CUBE 7

- ✓ 1 U-SHAPED DESK UNIT
- ✓ 1 2-DRAWER LATERAL FILE CABINET
- ✓ 1 DESK CHAIR
- ✓ 3 STACKABLE METAL CHAIRS

GREEN CHAIR

1 PC MONITOR

✓ COMPUTER ROOM

- ✓ 3 5-SHELF BOOKCASES
- ✓ 1 DESK CHAIR
- ✓ 8 BLACK WOODEN CHAIRS
- ✓ 1 3-CORNERED COMPUTER DESK
- ✓ 2 0-DRAWER FILE CABINET
- ✓ 1 FAX MACHINE

4 WASTE BASKETS  
3 CHAIR MAT

1 PC-MONITOR, KEYBOARD  
MOUSE

✓ COMPUTER ROOM

- ✓ 2 FOLDING TABLES

Attachment 1  
D

✓ Computer Room

- ✓ 1 GRAY PLASTIC SHELF UNIT
- ✓ 1 SMALL BLACK ROLLING CHAIR
- ✓ 1 DESK CHAIR
- ✓ MISC COMPUTER EQUIPMENT

✓ OPEN AREA  
By Kitchen

- ✓ 1 WOODEN LOVESEAT
- ✓ 1 PICTURE OF DEER
- 4 ✓ 8 SMALLER PICTURES

- 1 5 DRAWER METAL CAB
- 1 WOODEN DESK
- 1 WOODEN CREDENZA
- 1 2-DRAWER FILE CABINET
- 1 DESK CHAIR
- 1 LEATHER SIDE CHAIR
- 1 STACKABLE METAL CHAIR
- 1 SLIDING CART

✓ DALE FLOYD OFF 2

- ✓ 1 WOODEN DESK
- ✓ 1 WOODEN CREDENZA
- ✓ 1 OFFICE CHAIR
- ✓ 2 WOODEN SIDE CHAIRS

- 1 4 DRAWER FILE CABINET
- 2 CHAIR MATS

5-DRAWER FILE CABINET

✓ KITCHEN

- ✓ METAL KITCHEN TABLE
- ✓ 6 STACKABLE METAL CHAIRS
- ✓ REFRIGERATOR
- ✓ DISHWASHER
- ✓ MISCELLANEOUS KITCHENWARE

- 1 MICROWAVE
- 1 FIRE EXTINGUISHER
- 1 DECORATIVE BOWL
- 1 WASTE CONTAINER

✓ CONFERENCE ROOM

- ✓ 1 CONFERENCE ROOM TABLE
- ✓ 8 WOODEN CHAIRS
- ✓ 6 8-SHELF WOODEN BOOKCASES
- ✓ 1 WOODEN CREDENZA
- 1 END TABLE - MISC

Office #5

- 1 WOODEN DESK
- 1 WOODEN CREDENZA
- 1 DESK CHAIR
- 1 VINYL CHAIR
- 1 METAL STACKING CHAIR
- 1 MOBILE PLASTIC FILE
- 1 3-DRAWER FILE - METAL
- 1 WASTE BASKET
- 1 DESK MAT

**ADDENDUM TO COMMERCIAL PURCHASE AND SALE AGREEMENT**

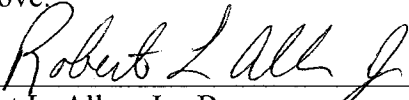
This Addendum to Commercial Purchase and Sale Agreement (hereinafter the "Addendum") is executed as of this 23<sup>rd</sup> day of March, 2006, by and between Robert L. Allen, Jr. and Aiyoung Allen (collectively "Buyer"); and Sentinel Trust Company, acting thought its Receiver, Receivership Management, Inc., (hereinafter "Seller").

The following language is added to the Commercial Purchase and Sale Agreement entered into contemporaneously between Seller and Buyer for the purchase of real property known as 29 West Main Street, Hohenwald, Tennessee 38462:

To induce Buyer to enter into and perform under this Agreement, Seller represents and warrants to Buyer, as of the date hereof and as of the Closing Date, that the following representations and warranties are true and correct:

1. Seller has the full power, authority and legal right to execute, deliver and perform under this Agreement, subject to the Court approval mentioned in the text of the Contract.
2. This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms; provided, however, that Court approval of the Contract must be obtained.

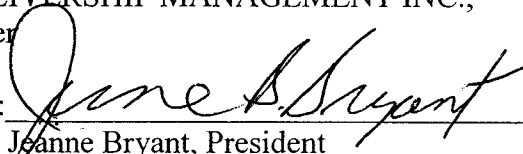
Executed as of the date set forth above.

  
\_\_\_\_\_  
Robert L. Allen, Jr., Buyer

  
\_\_\_\_\_  
Aiyoung Allen, Buyer

SENTINEL TRUST COMPANY (Seller)

BY: RECEIVERSHIP MANAGEMENT INC.,  
its Receiver

By:   
\_\_\_\_\_  
Jeanne Bryant, President

RECEIVED  
DEC 30 2005  
BY: \_\_\_\_\_

**APPRAISAL REPORT**

**Appraisal Of:**

Sentinel Trust Office Building & Site  
29 West Main Street  
Hohenwald, Tennessee 38467

**Appraisal For:**

Ms. Jeanne Bryant  
Receivership Management  
315 Centerview Dr. #133  
Brentwood, Tennessee 37024

**Appraisal By:**

**Terry Evans, IFAS, SR/WA**  
**TERRY EVANS AND ASSOCIATES**  
71 Driftwood Lane  
Lobelville, Tennessee 37097  
931-593-3777 (Voice)  
931-593-3748 (Fax)  
[terryevans@direcway.com](mailto:terryevans@direcway.com) (e-mail)

tabbles®  
**EXHIBIT**  
B  
\_\_\_\_\_

---

**TERRY EVANS AND ASSOCIATES**

**71 Driftwood Lane  
Lobelville, Tennessee 37097  
(931)-593-3777  
(931)-593-3748  
[terryevans@direcway.com](mailto:terryevans@direcway.com) (e-mail)**

**Terry Evans, IFAS, SR/WA**

December 21, 2005

Ms. Jeanne Bryant  
Receivership Management  
315 Centerview Dr. - #133  
Brentwood, Tennessee 37024

RE: Appraisal of Sentinel Office Building & Site  
29 West Main Street  
Hohenwald, Tennessee 38467

Dear Ms. Bryant:

In accordance with your request, I have made an appraisal of the property captioned above with respect to estimating the market value. I have prepared this Complete Appraisal Analysis in a Summary Report Format for your review.

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from this letter. Any special assumptions, limiting conditions, or hypothetical conditions are noted in the front of this report. Your attention is directed to the "General Assumptions and Limiting Conditions" which are a part of this report. I suggest that you review and familiarize yourself with these, since the appraisal is based on these assumptions.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Practice of the International Right of Way Association and the National Association of Independent Fee Appraisers and any requirements presented to the appraiser by the client.

Terry Evans and Associates does not authorize the out-of-context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal report

shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraiser signing the report.

The subject property consists of brick veneer, financial office building situated on a commercial site 180' X 172'. The subject office building is   X   and contains      SF. The building was constructed with the intent it would be used as a commercial bank in the future and includes two vaults and a drive-in window. The structure was constructed in 2000. The property is located in a commercial zoning. The property is not in a flood hazard area. Main Street is a main commercial corridor through the central business district of Hohenwald, Tennessee.

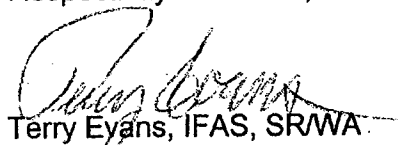
Based upon the results of my investigation and analyses contained in the following report, it is the opinion of this appraiser the market value of the subject property as described, subject to the general assumptions and limiting conditions, as of December 12, 2005, is:

**FOUR HUNDRED THIRTY THOUSAND DOLLARS AND NO/100**

**\$430,000.00**

Please refer to the attached appraisal report, plus exhibits, for documentation of the value estimates contained herein. If you have any questions or need additional information, please feel free to contact us.

Respectfully submitted,



Terry Evans, IFAS, SRWA  
TN Certified General Real Estate Appraiser #CG-74

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"PREPARED SOLELY FROM THE INFORMATION PROVIDED BY AND AT THE DIRECTION OF THE PARTIES TO THE TRANSACTION."

FILE BOX 19B

STATE OF TENNESSEE )  
COUNTY OF DAVIDSON )

MAP 35P  
GROUP "E"  
PARCEL 13.00

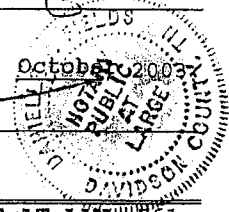
The actual consideration or value, whichever is greater, for this transfer is \$ -N-O-N-E-.

Billy J. Roth  
Affiant

Subscribed and sworn to before me this the 15 day of October, 2003

My Commission Expires: JUL 30  
2005

[Signature]  
Notary Public



THIS INSTRUMENT PREPARED BY: WEISS & WEISS, ATTORNEYS AT LAW, 761  
OLD HICKORY BLVD., STE. 102, BRENTWOOD, TENNESSEE 37027

ADDRESS NEW OWNER(S) AS FOLLOWS:	SEND TAX BILLS TO:
<u>SENTINEL TRUST COMPANY</u>	<u>"NEW OWNER"</u>
<u>A TENNESSEE CORPORATION</u>	(Name)
(Name)	
<u>29 West Main Street</u>	
(Street Address)	(Street Address)
<u>Hohenwald, TN 38462</u>	
(City) (State) (Zip Code)	(City) (State) (Zip Code)

**QUITCLAIM DEED**

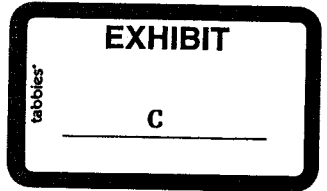
FOR AND IN CONSIDERATION of the sum of One Dollar NO/100 (\$1.00), and other good and valuable consideration, the receipt of which is hereby acknowledged, **SENTINEL SERVICES CORPORATION, A TENNESSEE CORPORATION**, hereinafter called the "Grantor(s)", do hereby quitclaim all of its rights, title and interest hereinafter to **SENTINEL TRUST COMPANY, A TENNESSEE CORPORATION**, hereinafter called the "Grantee(s)", its heirs and assigns, in and to that certain tract or parcel of land in Davidson County, Tennessee, described as follows, to-wit:

(TRACT ONE)  
THIS is the lot formerly used by Weeks Chevrolet-Pontiac Company as a used car lot: and is Lot No. Ten (10) in Block Two (2) as shown by map or Plat of the Town of Hohenwald, Tennessee, in Trust Deed Book A at Page 324-325, Register's Office for Lewis County, Tennessee.

(TRACT TWO)  
BEING Lots No. Eight (8) and Nine (9) in Block No. Two (2) of the Town Plat of Hohenwald, Tennessee, of record in Trust Deed Book A at Pages 314-325, Register's Office for Lewis County, Tennessee, to which reference is here made for a full and complete description of said property, which property fronts South on Main Street 120 feet and is 172 feet in depth.

BEING the same property conveyed to Sentinel Services Corporation by Warranty Deed from Jean Ann Kurty, of record in Book A-78, Page 564, Register's Office for Lewis County, Tennessee.

THIS property is located at \_\_\_\_\_.



Said property is conveyed subject to such limitations, restrictions, and encumbrances as may affect the premises.

IN WITNESS WHEREOF, We, have hereunto set our hands on this the 15 day of October, 2003.

SENTINEL SERVICES CORPORATION,  
A TENNESSEE CORPORATION

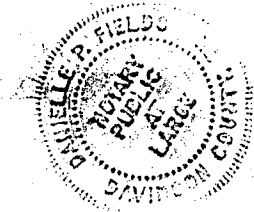
By: [Signature]  
Bradley S. Lancaster, Vice President

STATE OF TENNESSEE )  
COUNTY OF DAVIDSON )

Before me, the undersigned, a Notary Public, within and for the State and County aforesaid, personally appeared BRADLEY S. LANCASTER, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon his oath, acknowledged himself to be the VICE PRESIDENT of SENTINEL SERVICES CORPORATION, a Tennessee Corporation, and that he as such Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such Vice President.

Witness my hand and official seal at NASHVILLE, Tennessee, this 15 day of October, 2003.

My Commission Expires: JULY 30, 2005  
[Signature]  
Notary Public



Ophelia Green, Register  
Lewis County Tennessee  
Rec #: 11711 Instrument 11731  
Rec'd: 10.00 NBK: I Pg 762  
State: 0.00  
Clerk: 0.00 Recorded  
EDP: 2.00 10/17/2003 at 4:00 PM  
Total: 12.00 in Record Book  
43 Pages 366-367

**IN THE CHANCERY COURT FOR LEWIS COUNTY  
AT HOHENWALD, TENNESSEE**

**IN RE:** )  
 )  
**SENTINEL TRUST COMPANY** ) **NO. 4781**  
 )  
 )

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**AFFIDAVIT OF ARTHUR D. VICTORINE**

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STATE OF TENNESSEE )  
COUNTY OF DAVIDSON )

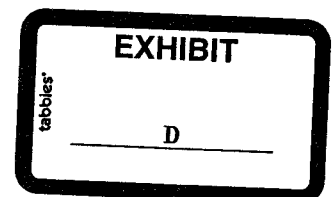
Having been duly sworn, I, Arthur D. Victorine, do attest to the following:

1. I am of majority age and have personal knowledge of the contents of this Affidavit.

2. I am a resident of Rutherford County, Tennessee and an Affiliate Broker with Shirley Zeitlin & Company Realtors. I am the listing agent for the Sentinel Trust Company office building located at 29 W. Main Street, Hohenwald, Lewis County, Tennessee ("Hohenwald Property").

3. On October 14, 2004, Jeanne B. Bryant, as President of Receivership Management, Inc., the Sentinel Trust Receiver, signed a listing agreement with Shirley Zeitlin & Company Realtors to market the Hohenwald Property.

4. The Hohenwald Property was listed at a price of \$1.1 million. That list price was set based upon a review of tax appraisal records and upon estimations of what construction and related costs were when the building was built back in the 1999-2000 timeframe. The circumstances surrounding the building (i.e., its size and its location) made obtaining comparable sales information difficult.



5. The initial marketing efforts consisted of contacting numerous commercial real estate agents in the Nashville/Middle Tennessee area. These efforts continued through early February 2005 with no response or interest expressed in the Hohenwald Property.

6. On February 11, 2005, the Hohenwald Property was placed on the active MLS listing system at the list price of \$1.1 million.

7. Starting in February 2005 and running through the end of 2005, the Hohenwald Property was advertised in a bi-monthly publication, the *Commercial Real Estate Connection in Tennessee*, which has a subscription base of approximately 25,000 commercial real estate agencies and agents across Tennessee. No response or interest was expressed in the Hohenwald Property as a result of this advertising effort.

8. Within the first 60-90 days after the February 11, 2005 MLS listing, I contacted, both through letters and telephone calls, banking institutions in and around the Lewis County, Tennessee area concerning the Hohenwald Property. From those efforts, I was able to secure two appointments with two different banks who sent representatives to look at the Hohenwald Property. Despite follow-up on my part, no interest was shown after these two inspections. It is my understanding from those bank representatives that the property was over-priced, but the main factor in their decision not to further pursue the Hohenwald Property was that the population and economic conditions of the City of Hohenwald and Lewis County would not support another bank.

9. I also approached and met with representatives of both the City of Hohenwald and the Lewis County government. The general reaction was that the building was nice, but the purchase price was high and, more importantly, there was no funding available. No offers were received and no further interest in purchasing was shown by the governmental entities.

10. I have also contacted the Lewis County Chamber of Commerce and Economic Development to discuss the Hohenwald Property and to create interest, but no interest has been forthcoming due to those efforts.

11. I contacted local colleges and community colleges in the area regarding the establishing of a branch site at the Hohenwald Property. Again, the population and economic factors in the area prohibited any consideration by the entities that I contacted in locating in Hohenwald.

12. Through the year of 2005, I was contacted sporadically by individuals from Lewis County and surrounding counties concerning the Hohenwald Property. I recall making approximately four appointments with four different local individuals or groups to view the Hohenwald Property. No interest or offers resulted from those efforts.

13. Through all of these efforts, toward the mid to end of 2005, I was convinced that due to 1) the economic conditions of the area, 2) the building size and limited potential utility of such a building in a city the size of Hohenwald and 3) the listed purchase price being seen as high, we would have to be very flexible regarding whatever offer we received, particularly in relation to price.

14. The people that have expressed the most interest for the longest period of time are the current purchasers, Robert and Aiyoung Allen. Shortly after the Hohenwald Property was placed on the MLS listing system, Ms. Allen contacted me expressing interest. I was in frequent contact with Ms. Allen during 2005 and showed her the Hohenwald Property six to eight different times.

15. Toward the end of the year 2005, the Allens made an offer. Through negotiations with the Allens, the agreement to purchase is as set forth in the March 20, 2006 Commercial Purchase and Sale Agreement -- i.e., \$450,000 and attendant terms and conditions.

16. During the time of these negotiations, an appraisal was performed by a qualified appraiser local to and knowledgeable of the area. That appraisal established \$430,000 as a fair market value for the Hohenwald Property.

17. Also, toward the end of 2005, I was contacted by another couple interested in either them or their business purchasing the Hohenwald Property. They also made an offer, but at a purchase price lower than that offered by the Allens. Because of the higher purchase price, the Sentinel Trust Receiver has accepted the Allens' offer.

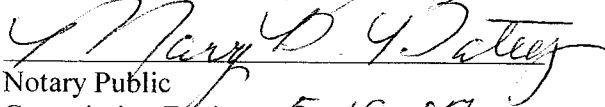
18. Based upon 1) my background, 2) my experience in marketing the Hohenwald Property, 3) my gaining an appreciation for the depressed nature of the economy and real estate market in Lewis County, 4) the two offers actually received on the Hohenwald Property (the \$450,000 offer from the Allens and the lower offer from the other couple) and 5) the appraisal, it is my opinion that the Hohenwald Property is very unlikely to sell for an amount materially higher than \$450,000. It is a nice property, but its location in Hohenwald greatly limits, and almost makes non-existent, a market for this type of property.

Further Affiant sayeth not.

  
\_\_\_\_\_  
ARTHUR D. VICTORINE

Sworn to and subscribed before me, on

this 23 day of March, 2006.

  
\_\_\_\_\_  
Notary Public  
Commission Expires: 5-19-07

45293459.1

IN THE COURT OF APPEALS OF TENNESSEE  
AT NASHVILLE  
November 17, 2005 Session

**FILED**  
DEC 29 2005  
Clerk of the Courts

**IN RE: SENTINEL TRUST COMPANY**

**A Direct Appeal from the Chancery Court for Lewis County  
No. 4781 The Honorable R. E. Lee Davies, Chancellor**

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**Nos.: M2005-00031-COA-R3-CV, M2005-01773-COA-R3-CV**

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**SENTINEL TRUST COMPANY, et al v. KEVIN P. LAVENDER**

**A Direct Appeal from the Chancery Court for Davidson County  
No. 04-1934-I The Honorable Walter C. Kurtz, Judge**

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**No. M2005-01073-COA-R3-CV**

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This appeal involves three cases consolidated for oral argument. Because of the duplication of the major issues in the cases, we consolidate the cases into one opinion. The Commissioner of the Tennessee Department of Financial Institutions, acting on statutory authority, took emergency possession of a Tennessee trust company, filing due notice of such action in the Chancery Court of Lewis County. Subsequently, the Commissioner gave notice, as required by statute, of the liquidation of the company, which was commenced in the Chancery Court of Lewis County. The company filed a petition for writ of certiorari and supersedeas in the Chancery Court of Davidson County. The court denied the petition for supersedeas and dismissed the writ of certiorari. Appellants appeal. We affirm. In the Lewis County Chancery Court proceeding, the court approved the transfer by the Commissioner of the various fiduciary accounts administered by the company and other assets of the company, and the appellants appeal. We affirm. Included in the disposition of the property was real estate located in Bellevue, and the Commissioner filed a motion in the Lewis County Chancery Court for approval of the sale of this real estate. Objections were filed to the Bellevue sale motion. The court, after hearing proof, approved the sale. Appellants filed separate appeals. We affirm.

**Tenn. R. App. P. 3; Appeal as of Right; Judgments of the Trial Courts Affirmed**

**EXHIBIT**  
E

W. FRANK CRAWFORD, P.J., W.S., delivered the opinion of the court, in which ALAN E. HIGHERS, J. and DAVID R. FARMER, J., joined.

Carroll D. Kilgore of Nashville, Tennessee for Appellants, Sentinel Trust Company, Danny N. Bates, Clifton T. Bates, Howard H. Cochran, and Gary L. O'Brien

Paul G. Summers, Attorney General and Reporter; Michael E. Moore, Solicitor General, Janet M. Kleinfelter, Senior Counsel for Appellee, Commissioner Kevin P. Lavender, Tennessee Department of Financial Institutions

J. Graham Matherne of Nashville, Tennessee for Appellees, Commissioner Kevin P. Lavender and Receivership Management, Inc., Receiver for Sentinel Trust Company

### OPINION

Sentinel Trust Company is a state-chartered trust company located in Hohenwald, Lewis County, Tennessee. Danny N. Bates, Clifton T. Bates, Howard H. Cochran and Gary L. O'Brien ("Appellants") are all either former directors, officers and/or shareholders of Sentinel. Appellee, Kevin P. Lavender ("Commissioner") is the Commissioner of the Tennessee Department of Financial Institutions.

In April of 1999, the Tennessee General Assembly enacted Public Chapter 112, with an effective date of July 1, 1999. The enactment of Public Chapter 112 revised T.C.A. § 45-1-124<sup>1</sup>

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<sup>1</sup> Public Act 112 made the following changes to T.C.A. § 45-1-124. T.C.A. § 45-1-124(d) was amended by adding the language and punctuation "trust companies," after the words "state banks," and before the words "savings and loan associations," and by deleting subsection (b) in its entirety and substituting the following as a new subsection (b). Changes are indicated below in bold:

**(b) To the full extent consistent with such rights, liabilities, and penalties, all state banks and, to the extent applicable, all banks, shall hereafter be operated in accordance with the provisions of this chapter and chapter 2 of this title. Unless the commissioner determines otherwise, the provisions of chapters 1 and 2 of this title, and the rules thereof, shall also apply to the operation and regulation of state trust companies and banks whose purposes and powers are limited to fiduciary purposes and powers.**

(d) Except to the extent inconsistent with or contrary to specific provisions of chapters 1, 2 and 3 of this title, Tennessee state banks, **trust companies**, savings and loan associations, and savings banks, and their directors, officers and shareholders shall be governed by and subject to the Tennessee Business Corporation Act, compiled in title 48, chapters 11-27, as the same may be amended from time to time, and successor statutes thereto. The commissioner has the authority to interpret the Tennessee

(continued...)

Appellants in this appeal was raised to the trial court below. However, even if we were to address this issue, we note that the plain language of T.C.A. § 45-2-1504(c) does not require that the Commissioner transfer all of an organization's fiduciary positions, only that the Commissioner "take all necessary steps to terminate all fiduciary positions" held by the organization.

6. Whether the commissioner has the authority to sell the Bellevue Property upon approval of the receivership court?

Appellants challenge the authority of the Commissioner to sell Sentinel's Bellevue Property on several grounds. First, Appellants argue that the Tennessee Banking Act does not authorize the Commissioner or the Receiver to sell assets of trust companies, only state banks. As stated, *supra*, the provisions of Public Chapter 112 indicate the General Assembly's intent that all of Chapters 1 and 2 of Title 45 of the Tennessee Code apply to the operation and regulation of state trust companies. T.C.A. § 45-2-1504 outlines the process for liquidating a financial institution under the Tennessee Banking Act. The statute specifically states that the Commissioner may sell **any** asset of the organization. T.C.A. § 45-2-1504(a) (emphasis added). Consequently, the Commissioner, and his appointed Receiver, were authorized, under to T.C.A. § 45-2-1504, to sell Sentinel's Bellevue Property upon approval of the receivership court.

Again, Appellants assert that the Tennessee Banking Act is unconstitutional in that it violates the separation of powers requirement of the Tennessee Constitution by granting the Commissioner the power to appoint a receiver and liquidate assets of a trust company. Appellants contend that, because the Tennessee Banking Act vests in the Commissioner (a member of the Executive branch of the state government) powers that allegedly may be vested only in the judiciary, the Act is unconstitutional. However, as discussed *supra*, the powers bestowed upon the Commissioner are limited to those judicial powers reasonably necessary to the accomplishment of the purposes for which the Department of Financial Institutions was created. Therefore, T.C.A. § 45-2-1504 does not violate the separation of powers provision of Art. II, § 2 of the Tennessee Constitution.

7. Whether the receivership court erred in approving the sale of the Bellevue Property for \$320,000?

Appellants contend that trial court erred in approving the sale of Sentinel's Bellevue Property. Specifically, Appellants assert that the \$320,000 price approved by the receivership court was below the fair market price, and that the court should have "requir[ed] an appraisal at market value." However, the Appellants present no evidence to support a finding that the fair market value of the property is anything other than the \$320,000 for which it was sold. The Appellants merely argue that the sale was a "forced sale" and should not have been approved. The Commissioner and Receiver state that the sale of the Bellevue was not a forced sale. The evidence supports the Commissioner and Receiver's position that it was a full list value sale at a fair market value set by a reputable real estate agent. In particular, the \$320,000 list price for the Bellevue Property was set by a Nashville real estate agent after review of comparables, property

condition, and property location. The property was listed for six months prior to its sale, and the property had a tax assessment value of \$291,000.

Next, the Commissioner and Receiver assert that they are not prevented, in liquidating assets, from seeking and gaining court approval of the sale of an asset simply because the Appellants' expectations of what a fair market value might bring was not obtained from the sale transaction. T.C.A. § 45-2-1504 outlines the process that the Commissioner must follow in order to liquidate a financial institution. T.C.A. § 45-2-1504(a) states that the "commissioner may exercise any power of the office of commissioner, but shall not, without the approval of the court in which notice of possession has been filed (1) sell any asset of the organization having a value in excess of five hundred dollars." T.C.A. § 45-2-1504(a)(1). This is the only restriction placed upon the Commissioner or his appointed Receiver in the execution of a sale of a financial institutions assets. The Appellants are attempting to prevent the receivership court from approving a sale of assets, without proof that the sale price is one equivalent to a "fair market value." This requirement simply does not exist in the statute. Nonetheless, the question is moot because the record reflects that the sale of the Bellevue Property for \$320,000 was a fair and reasonable amount.

8. Whether the trial court erred when it denied the petition for a writ of certiorari, declaring the case moot?

On April 13, 2005, the Davidson County Chancery Court denied the Appellants' petition for writ of certiorari and declared the case moot. The trial court's order, filed the same day, reads in pertinent part, as follows:

This Court was always open and ready to grant the petitioners [Appellants] a prompt post-seizure and/or post -liquidation notice hearing. The failure to have a prompt post-seizure hearing challenging the factual basis for the seizure was entirely the fault of the petitioners. Petitioners' counsel in August, 2004 insisted that his legal arguments were so strong that he did not need a hearing on the facts. He insisted on a hearing limited to his argument that the banking statutes did not apply to trust companies. . . . This insistence was pressed in the face of the Court's offer to give him a hearing on all issues within 7-10 days of August 5, 2004. When petitioners lost their legal argument in state court, they were so sure of their position that they then went to federal court where they again lost. Finally, having failed to win on their legal argument, petitioners finally in March 2005, ten (10) months after the Commissioner took possession, requested a hearing challenging the Commissioner 's factual determinations.

\* \* \*

The factual challenge to the Commissioner's action has been delayed so long by the petitioners that this case is now moot. . . . The receivership and liquidation have proceeded now for eleven (11) months, and the record indicates that Sentinel is but an empty shell. While Humpty Dumpty could perhaps have been put back together, in the Summer of 2004 [Sentinel] can no longer be put back together.

The Appellants assert that because "[t]here is in this record no evidence that any of Sentinel's assets have been conveyed away beyond redemption," this Court can reverse the trial court's approval of Sentinel's liquidation. Appellants seek an order from this Court directing the Commissioner to return Sentinel to its status as of May 18, 2004 (i.e. prior to possession by the Commissioner).

Our analysis is guided by our Supreme Court's decision in *Boyce v. Williams*, 389 S.W. 2d 272 (Tenn. 1965). In *Boyce*, following the merger of a domestic insurance company with a foreign company, the insurance company's stockholders filed a petition for the common law writ of certiorari to vacate the Commissioner of Insurance's approval of the merger, that the merger be enjoined and the assets of the two corporations be segregated. The petition alleged that the commissioner was without authority to approve the merger. The trial court dismissed the petition upon finding that the commissioner had not exceeded his jurisdiction or acted illegally. Upon review, the Tennessee Supreme Court addressed the question of whether an effectual relief could be granted well after the companies had merged and assets had been transferred, to wit:

Should we now grant the relief sought and remand the case to the trial court for trial it would only amount to further delay.

University has now been merged with a foreign corporation and we dare say most, if not all, its assets are in a foreign state and out of the jurisdiction of the courts of this state.

Thus, the courts of this state cannot grant to appellants any effectual relief and to now remand the case for a trial would be a useless gesture on our part. The question of whether the commissioner's approval of the merger should be vacated or whether appellants are entitled to an injunction and a segregation of the assets of University as prayed for in the petition have become moot.

\* \* \*

Where it appears the act to be enjoined has been consummated, an action for an injunction presents only a moot question and will be dismissed

*Boyce*, 389 S.W.2d 272, 277–278 (citations omitted). The Appellants argue that *Boyce* is but “an anomaly – it should not be taken as an inspiration to intentionally repeat ancient mistakes.” We disagree. *Boyce v. Williams* is well-settled precedent that the courts of Tennessee have

relied upon in defining their scope of jurisdiction and is, in fact, directly analogous to the case at bar.

When the trial court denied the Appellants' petition for writ of certiorari and declared the case moot, the receivership and liquidation had been under way for eleven months, and all but four of Sentinel's defaulted bond issues had been transferred to successor trustees. As the trial court stated, Sentinel was in essence an empty shell. Furthermore, the failure to promptly have a post-seizure hearing challenging the factual basis for the seizure was entirely the fault of the petitioners. As stated in *Boyce*:

The rule is well established that review proceedings are not allowed for the purpose of setting abstract questions, but only to correct errors injuriously affecting the rights of some party to the litigation. Accordingly, an appeal or error proceeding will be dismissed if the question presented by it . . . has become moot or academic or if, . . . an event has occurred which makes a determination of it unnecessary or renders it impossible for an appellate court to grant effectual relief.

*Boyce*, 389 S.W.2d 272, 278 (citations omitted). By the time the factual hearing occurred in late March, 2005, the ongoing liquidation of Sentinel and transfer of Sentinel's assets made it impossible for the court to grant effectual relief. Consequently, we find that the Davidson County Chancery Court did not err in denying the petition for a writ of certiorari and in declaring the case moot.

Accordingly, and for the foregoing reasons, the final orders of the respective trial courts are affirmed. Costs of these appeals are assessed to the Appellants, Danny N. Bates, Clifton T. Bates, Howard H. Cochran, Gary L. O'Brien, and their respective sureties.

  
W. FRANK CRAWFORD, PRESIDING JUDGE, W.S.