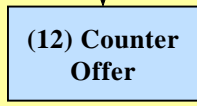
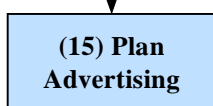
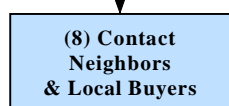
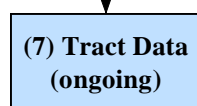
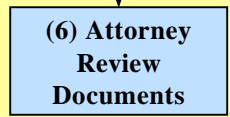
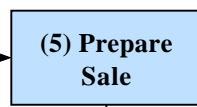
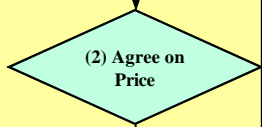
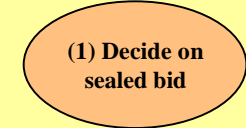
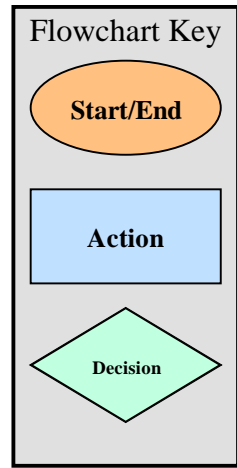
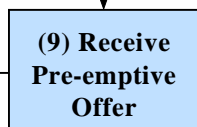


SELLER

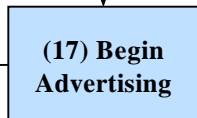
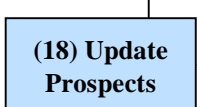
GREAT SOUTHERN LAND



Before Pre-emptive Deadline

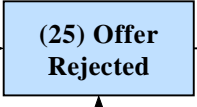
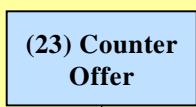
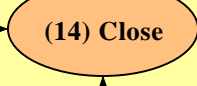


Too Late



Acceptable

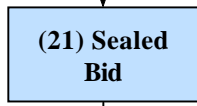
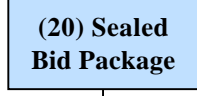
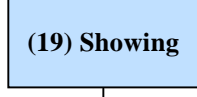
Acceptable



Acceptable



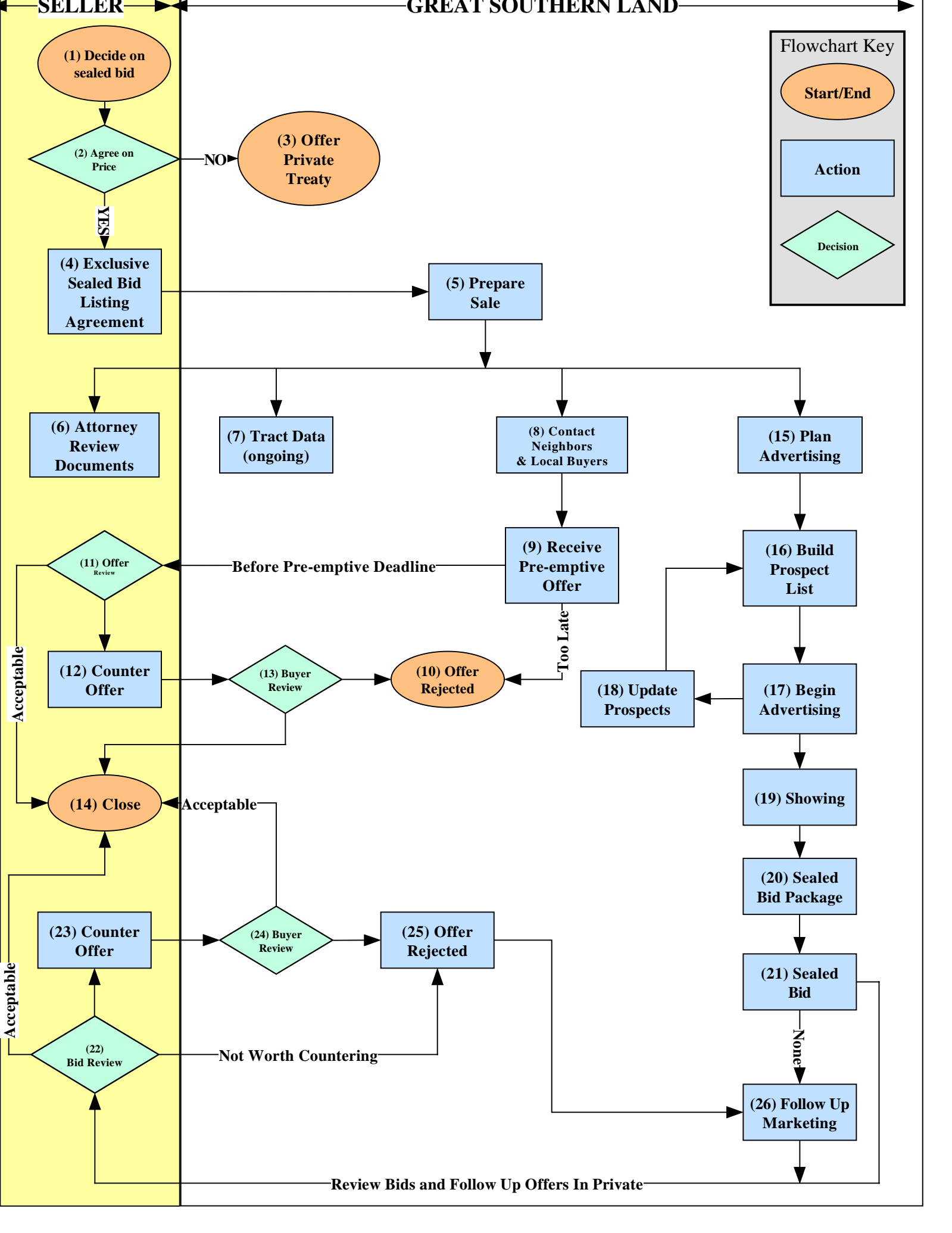
Not Worth Countering



None



Review Bids and Follow Up Offers In Private





DESCRIPTION OF THE SEALED BID FLOWCHART

The following numbered list refers to the numbered steps in the preceding flowchart. The intent is to give an overview of the Sealed Bid Sale process as conducted by Great Southern Land. The numbered steps are not necessarily sequential since there are alternative paths shown in the flowchart. Please refer to the numbered steps on the flowchart as you read this list.

1. **Decide On Sealed Bid:** The decision to sale by “Private Treaty” or “Sealed Bid” should be made after the Seller and Great Southern Land (“GSL”) discuss the pros and cons of each method with respect to the specific property to be marketed.
2. **Agree On Price:** The Seller and GSL must agree on a minimum acceptable price on the property to be sold. In the case of offerings of multiple tracts or one tract of multiple parcels there should a minimum acceptable price by tract or parcel if the Seller is willing to accept a sale of a portion of the property at Sealed Bid even though other tracts or parcels do not sale at that time. The tracts or parcels not sold at Sealed Bid will be marketed by Private Treaty following the Sealed Bid Sale.
3. **Offer Private Treaty:** If the Seller and GSL cannot agree on a minimum price for the Sealed Bid then the property will be offered for sale by Private Treaty with a stated asking price. In some cases the Seller may have expectations of a selling price beyond a price that GSL believes is achievable based upon market data. The success that GSL has had in attracting bidders to the Sealed Bids we have conducted is based on our past history of selling tracts we offer by Sealed Bid. While we have rejected all bids in a few cases our tract record is that we sell the properties offered at or above our estimate of market value. **It is very important to bidders that they expect you to sell to the high bidder; therefore, we do not offer properties for sale by sealed bid if we think the Seller is not willing to take market price for the property.**
4. **Exclusive Sealed Bid Listing Agreement:** GSL must have an exclusive listing in order to offer the property by Sealed Bid. In the case of a Sealed Bid Sale there may be a “Buyer’s Premium” charged to the Buyer to cover the additional cost of sale and a co-brokering fee. In this case, any excess funds from this source will be split with the Seller.
5. **Prepare Sale:** After the Exclusive Sealed Bid Listing Agreement is signed GSL begins to prepare for the Sealed Bid Sale. The preparation includes many activities most of which are listed below.

6. **Attorney Reviews Documents:** GSL will prepare a draft of the Invitation to Bid (“ITB”) which will constitute the sales contract once a bid has been accepted. We will submit a draft of this document to the Seller’s attorney for his review and comments. We will ask the owner to have his attorney procure a title binder listing all exceptions to title before the ITB is mailed to prospective bidders. The ITB will state that the property is being offered subject to title exceptions found in the title binder which is available for bidder review. We will also ask the Seller to furnish GSL with a copy of all leases and other instruments encumbering the property. It is very important that we are aware of anything that affects the title so that we can give full disclosure in the ITB.
7. **Tract Data (Ongoing):** GSL gathers data from multiple sources during the marketing of a property. Much of the data is gathered even before a listing is signed. This data is necessary in order to agree to a listing price. The data gathering continues during the marketing stage. In the case of a Sealed Bid Sale our goal is to know as much about the property as a buyer would need to make a purchasing decision before the ITB is mailed to prospective bidders. Data gathering continues until the closing.
8. **Contact Neighbors and Local Buyers:** As we begin to gather data we will be contacting neighbors to discuss any access or property line issues and to let them know we will be offering the property for sale. We also will begin notifying local buyers as we update our Prospect List.
9. **Receive Pre-Emptive Offer:** Invariably a neighbor or local buyer will want to make an offer and avoid competing in the sealed bid process. Our options at this point are to either inform them that the property is only going to be offered by Sealed Bid or tell them we will submit an offer to the Seller but do not know if the Seller will consider the offer. **In no case do we want to discuss a price with the potential buyer as this could taint the Sealed Bid Sale or at least give an appearance of impropriety to other bidders.**
10. **Offer Rejected:** The pre-emptive offer may be rejected by the Seller or the Seller’s counter offer to the pre-emptive offer may be rejected by the Buyer.
11. **Offer Review:** If the potential bidder submits an offer the Seller can accept it, reject it or counter it. If the offer is acceptable then we would proceed to step 14 Close the Sale.
12. **Counter Offer:** We would advise the Seller not to counter unless they are willing to accept the original offer because there is a good chance that the Seller’s offer and the counter will become known to other bidders and tend to set the price range for the property.
13. **Buyer Reviews:** If the Seller has made a counter offer to the Buyer’s pre-emptive offer the Buyer will either accept it in which case we close or reject it in which case the property sale would continue along the Sealed Bid path. The Buyer might also want to counter the counter but we would discourage continuing to negotiate a pre-emptive offer beyond a counter unless there was a high expectation of coming to an agreeable sale.
14. **Close:** Whether the path to the closing is through a pre-emptive offer, acceptance of a Sealed Bid, or follow up marketing, the goal is to get to a closing. At this point the Seller receives the sales proceeds and GSL is paid for its services.

15. **Plan Advertising:** GSL will plan an advertising campaign using a number of mediums including online advertising, email blast and direct mail to its extensive mailing list and new lists which it may purchase, local and regional newspaper advertising as the potential market for the property is targeted, radio, television, signs on the property, personal contacts, phone contacts, local seminars etc.
16. **Build Prospect List:** As prospective buyers are identified from neighbors and others in the locality of the property we add names, email addresses and mailing addresses to our prospect list. We also look for other list to purchase such as local chamber of commerce or trade organizations.
17. **Begin Advertising:** We implement our advertising plan that we have previously formulated. Depending on the nature of the property and the time frame we are working towards for a closing, this may be an all out blitz of advertising or it may be staged.
18. **Update Prospects:** We log each prospect we talk to and continuously update our prospect list.
19. **Showing:** Agents of GSL will show the property by appointment to prospective buyers. We may also schedule local seminars where buyers can come to learn about the specific property being offered, meet agents to schedule showing appointments and learn how the Sealed Bid process works.
20. **Sealed Bid Package:** After extensive advertising we furnish prospective bidders with the Sealed Bid Package which always includes the ITB and may include backup information such as aerial photographs, surveys, topo maps, etc.
21. **Sealed Bid:** We have a deadline on which the Sealed Bids must be delivered to our office.
22. **Bid Review:** We review the bids in private with the Seller and his advisors. In the past we have had public bid openings; however, we now prefer the private bid opening in case there are conditional bids that need to be discussed or in case there is a large spread between the high bid and second bid which might encourage the high bidder to default.
23. **Counter Offer:** If the high bid is above the minimum acceptable bid, the bidder is reputable and there are no contingencies in the bid, we expect the Seller to accept the high bid. If these conditions are not met then we would encourage the Seller to make a counter offer under acceptable terms and price to the high bidder.
24. **Buyer Reviews:** We would give the high bidder a short time to either accept or reject the Seller's counter offer. If accepted we would continue to closing.
25. **Offer Rejected:** If the high bidder rejects the Seller's counter offer then we would decide with the Seller who to offer the property to next.
26. **Follow Up Marketing:** If there are parcels or tracts that receive no bids or if the high bidder rejects the Seller's counter offer to his Sealed Bid we would then market these properties by the conventional Private Treaty method. We would have the advantage of having the prospect list generated from the Sealed Bid process.

