

EXHIBIT A

AUCTION PROCEDURES

SALE OF REAL ESTATE (COTTONWOOD ROAD PROPERTY)

R. Wayne Klein, the Court-Appointed Receiver (the “Receiver”) of National Note of Utah, LC, its subsidiaries and affiliates, and the assets of Wayne LaMar Palmer in the case styled *Securities and Exchange Commission v. National Note of Utah, LC et al*, Case No. 2:12-cv-00591 BSJ, in the United States District Court for the District of Utah (the “Civil Case”) will conduct a public auction of a .96 acres of real property made up of five parcels of land located at: (a) 3711 E. Little Cottonwood Road, Sandy, Utah 84092 (“3711”); (b) 3725 E. Little Cottonwood Road, Sandy, Utah 84092 (“3725”); (c) 3731 E. Little Cottonwood Road, Sandy, Utah 84092 (“3731”); (d) 9767 Little Cottonwood Place, Sandy, Utah 84092 (“9767”); and (e) 9778 South Mountain Valley Way, Sandy, Utah 84092 (“9778” and together with 3711, 3725, 3731, and 9767, the “Real Property”) on the 17th day of October, 2013 at the hour of 9:00 a.m. on the Real Property at 3725 E. Little Cottonwood Road, Sandy, Utah 84092, or as may be continued from time to time by the Receiver (the “Auction”).

The Receiver will conduct the Auction in accordance with the procedures listed below (collectively, the “Auction Procedures”):

- a. The Receiver will facilitate reasonable requests for inspections of the Property by interested parties prior to the “Bid Deadline” (defined below).
- b. Pursuant to the Purchase Agreement attached as Exhibit C to the Receiver Declaration [Civil Case Docket No. 383], the Receiver has received an offer to purchase the Real Property for \$211,000.00 which includes a \$211,000.00 escrow deposit, subject to higher and better bids at the Auction (the “SH Agreement”). The Receiver is treating the offer in the SH Agreement as the opening bid at Auction and is referred to herein as the “Stalking Horse Bid.”
- c. To participate in the Auction, the potential purchaser must be a “Qualified Bidder.”

- d. No person will be deemed to be a Qualified Bidder unless the person:
 - i. Delivers to the Receiver for the benefit of the Receivership Estate cash or a cashier's check in the amount of \$211,000.00 as an initial deposit (all such deposits being collectively, the "Initial Deposit"), by no later than 5:00 p.m. Mountain Time at least two business days prior to the date set for the Auction (the "Bid Deadline");
 - ii. Agrees in writing that its Initial Deposit is non-refundable pending the Sale Closing Date (defined below) and will be applied as set forth in these Auction Procedures;
 - iii. Agrees in writing to the approved Auction Procedures;
 - iv. Represents and warrants in writing that it has the ability to perform at Auction and on the Sale Closing Date (defined below);
 - v. Agrees in writing that the sale of the Property is "AS IS" with no representations and warranties; and
 - vi. Appears in person or through a qualified agent at the Auction and performs at Auction, as determined in the sole discretion of the Receiver, as provided in these Auction Procedures.
- e. If no Qualified Bidders exist on the expiration of the Bid Deadline, the Receiver, in his sole discretion, need not conduct the Auction and may sell the Property to the holder of the Stalking Horse Bid pursuant to the terms of the SH Agreement and such sale shall be deemed to be a sale of the Property at public auction under all applicable law.
- f. The Receiver will conduct the Auction. The Auction shall proceed in rounds. Bidding at the Auction shall begin with an initial minimum overbid of the Stalking Horse Bid in an amount of \$5,000.00 in cash, and shall subsequently continue in \$5,000.00 minimum cash overbid increments. However, the holder of the Stalking Horse Bid will be allowed to match any bid made by a Qualified Bidder without increasing such bid by the \$5,000 minimum cash overbid amount. Bidding will continue until the Receiver determines that he has received the highest and best offer for the Property, at which time he will close the Auction, with the person making the last bid prior to the Receiver's close of the Auction bound to purchase the Property pursuant to the terms of the approved Auction Procedures (the "Successful Bidder").
- g. Each Qualified Bidder and the holder of the Stalking Horse Bid agree that its last offer made is irrevocable until the Court enters an Order approving the sale (the "Entry Date") and the sale of the Property closes to the Successful Bidder (the "Sale Closing Date").

- h. This sale is subject to approval by the Court. Thus, the Sale Closing Date will occur only after the Entry Date. Promptly after the Auction, the Receiver shall file with the Court a Notice of Auction Results and Motion to Authorize Sale, and in that Motion the Receiver may request that all Qualified Bids made at Auction be approved as Back-Up Bids for which Court authorization is requested in the alternative.

- i. Each Initial Deposit shall be retained by the Receiver until Sale Closing Date. On the Sale Closing Date, the Initial Deposit of the Successful Bidder, or the Court approved buyer, will be applied to the purchase price accepted at Auction by the Receiver. Within ten business days of Sale Closing Date, the Receiver shall return all other Initial Deposits. In the event that the sale to the Successful Bidder or the person approved by the Court does not close as a result of that person's inability to close, the Receiver (i) shall retain the Initial Deposit as damages, and (ii) the Qualified Bidder who made the next highest and best offer at Auction (the "Back-Up Bid") shall be deemed the Successful Bidder if so authorized by the Court. The Initial Deposit of the Qualified Bidder with the Back-Up Bid shall be applied by the Receiver to the purchase offer made at Auction. The Receiver may repeat the same Back-Up Bid procedure provided herein to each Qualified Bidder, in the order of the highest and best offers received at Auction.

- j. Immediately upon the close of the Auction, the Successful Bidder must sign a purchase agreement on terms materially similar to the terms of sale stated in SH Agreement.

AGREED TO BY: _____

Its: _____