TENNESSEE VALLEY AUTHORITY
NOTICE OF PUBLIC AUCTION
TVA TRACT NO. XTELR-249

WHEREAS in accordance with Section 31 of the Tennessee Valley Authority Act of 1933, as amended, the Board of Directors of the Tennessee Valley Authority (TVA) has approved the sale of a tract of vacant land containing approximately 1.028 acres, more or less, located Northwest of and adjacent to U.S. Highway 411 and Niles Ferry Industrial Park near Vonore, Tennessee, specifically described in Exhibit B and shown on Exhibit C, both of which are attached hereto and made a part hereof, and identified in the TVA land records as Tract No. XTELR-249; and

NOW, THEREFORE, notice is hereby given that TVA, as legal agent of the United States of America, will sell said tract of land at public auction in accordance with the Terms of Public Auction contained in Exhibit A, which is attached hereto and made a part hereof.

Said sale will be held on February 1, 2006, at 11:00 a.m., EST, in the J. P. Kennedy Administration Building, Monroe County, Court Annex Board Room, 103 College Street, Madisonville, Tennessee.

Said land will be sold to the bidder offering the highest bid.

Use of the land will be restricted to commercial and/or industrial purposes only.

Said land will be conveyed by Special Warranty Deed subject to such terms and conditions, covenants, restrictions, reservations, exceptions, and/or limitations as are specifically set forth in said Exhibit A and as may be announced on the day of the sale.

Signed this 10th day of JANUARY, 2006.

TENNESSEE VALLEY AUTHORITY
legal agent of the
UNITED STATES OF AMERICA

Joel E. Williams

JOEL E. WILLIAMS
Manager, Realty Services

For information regarding the sale, for a copy of the Notice of Sale, or to inspect the property, contact:

Gregory D. Bates, TVA
Realty Services
1101 Market Street, SP 3L
Chattanooga, Tennessee 37402
Telephone: 423.751.2672
Toll Free: 888.817.5201
Fax: 423.751.9454
gdbates@tva.gov

xtelr\249\noticesale

EXHIBIT A
TO
TENNESSEE VALLEY AUTHORITY
NOTICE OF PUBLIC AUCTION

TERMS OF PUBLIC AUCTION

In case of dispute, the decision of the auctioneer will govern.

TVA, as legal agent of the United States of America (sometimes hereinafter referred to as "TVA" and sometimes hereinafter referred to as "Grantor"), reserves the right to reject any and all bids.

In the absence of a dispute requiring the decision of the auctioneer, the sale is final and after the auction there will be no opportunity to raise the bid as permitted in court sales.

The minimum acceptable bid is as follows:

FIFTEEN THOUSAND DOLLARS AND NO/100 ($15,000.00) which amount includes the fair market value of the Property and TVA's actual administrative costs incurred in processing this transaction for TVA Tract No. XTELR-249, containing approximately 1.028 acres, more or less.

The land will be sold to the registered bidder offering the highest bid for cash.

After the auction, the successful bidder (sometimes hereinafter referred to as "Purchaser" and sometimes hereinafter referred to as the "Grantee") must make settlement with the clerk of the sale and sign an agreement of purchase and sale.

The Purchaser will be required to make full payment of the purchase price on the day of the sale. Only Certified or Cashier's checks will be accepted.

In the event the high bidder is unable to make full payment upon acceptance of the bid, the property will be immediately re-auctioned.

Fraudulent bidders may be subject to prosecution under applicable federal statutes.

The acreage is believed to be correctly stated; however, the tract is not sold on an acreage basis, and no warranty as to acreage is made.

The conveyance document will be delivered or mailed to the Purchaser at the address given to the clerk of the sale within thirty (30) days from the date the successful bidder pays the purchase price in full.

The deed will contain special warranties of title. Title to the property was examined by TVA prior to purchase and is believed to be good, but no further warranties or insurance will be furnished by TVA.

TVA does not represent that the land or improvements to be sold will be acceptable as security for loans of money or that it will not be rendered unacceptable as such security by reason of the deed provisions and restrictions applicable thereto. While TVA may have suggested or recommended in its advertising or otherwise what it believes to be the highest and best use of the property, it does not represent or warrant that the same is safe or suitable in any respect for such use.

Use of the property will be restricted to commercial and/or industrial use.

Subject property will be conveyed subject to such rights as are vested in the state to rights-of-way for roads, pursuant to Contract No. TV-34108A and supplements, dated November 11, 1982, and subject to such rights as are vested in third parties to rights-of-way for electric power distributor lines and public utilities. Also, subject property will be conveyed subject to such rights as are vested in third parties as may be revealed upon a visual inspection of the premises.

xtelr\249\termsofsale

EXHIBIT B
TO
TENNESSEE VALLEY AUTHORITY
NOTICE OF PUBLIC AUCTION

TELLICO RESERVOIR

A parcel of land lying northwest of and adjacent to US-Highway No. 411 and in the Second Civil District of Monroe County, State of Tennessee, being on the Tellico Reservation opposite Little Tennessee River Mile 19.1L, as shown on US-TVA Drawing No. 65 MS 422 B 579(D) R.2 and being more particularly described as follows:

Commencing at an angle iron (found) in the former US-TVA Tellico Reservation Boundary line (Coordinates: N. 443,413.4, E. 2,526,522.9), being Corner No. 19-1; thence S85°44'24"E, 1,266.82 feet to an aluminum monument (set) in the northwestern line of US-Highway No. 411 (US-TVA Road Project No. 65-2106), being Corner No. 240-1 and The Point Of Beginning:

Thence leaving the point of beginning and with the northern line of said highway N37°02'02"W, 100.00 feet to the point of a non-tangential curve, being Corner No. 240-2; thence continuing with said highway and along a curve to the left having a radius of 5,530.34 feet and an arc length of 597.57 feet forming a chord N53°28'59"E, 597.27 feet to a point on a curve, being Corner No. 240-3; thence continuing with said highway and along said curve to the right having a radius of 5,530.34 feet and an arc length of 282.60 feet forming a chord N48°56'05"E, 282.56 feet to a point, being Corner No. 242-2; thence continuing with said highway S41°34'42"E, 25.00 feet to an aluminum monument (set), being Corner No. 242-3; thence leaving the northern line of said highway and with the southern line of the herein described parcel S47°09'43"W, 885.62 feet to the point of beginning and containing 1.028 acres, more or less.

Positions of corners and directions of lines are referred to the Tennessee State Coordinate System and NAD 27 Horizontal Datum. The elevations for establishing the contours are based on NGVD 1929.

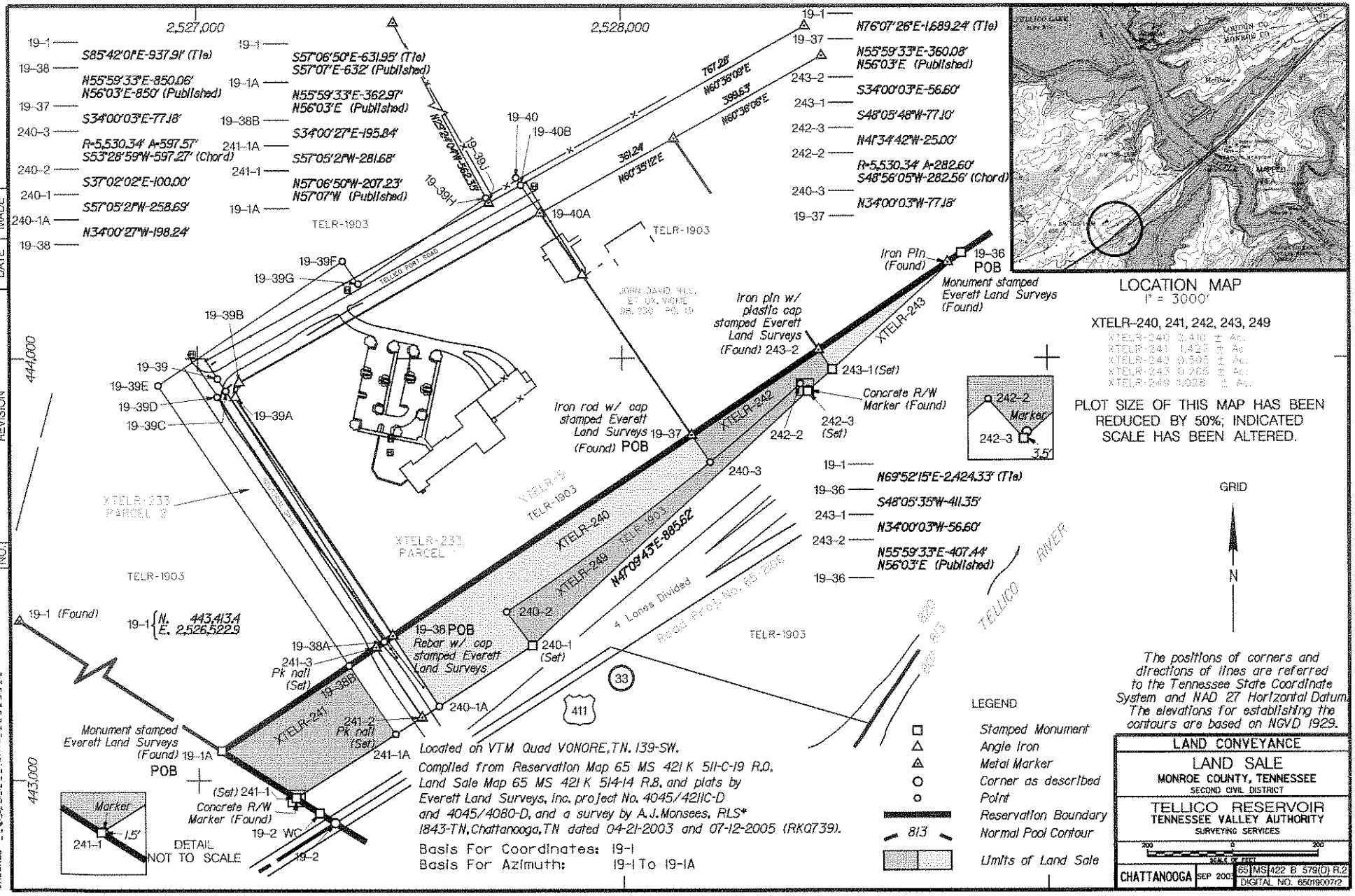
Located on VTM Quad VONORE, TN.139-SW.

This description was prepared from Reservation Map 65 MS 421 K 511-C-19 R.0, Land Conveyance Map 65 MS 421 K 514-14 R.8, plats by: Everett Land Surveys, Inc. Project No. 4045/4211C-D and 4045/4080-D and a survey dated April 21, 2003 by:

A. J. Monsees, RLS
Tennessee Valley Authority
MR 4B-C
Chattanooga, TN 37402-2801
TN License No. 1843.

07/29/2005
date received 7/29/05
checked 8/11/05 GDB

EXHIBIT C



2,527,000
2,528,000
444,000
443,000
19-1 S85°42'01"E-937.91' (Tie)
19-38 N55°59'33"E-850.06' N56°03'E-850' (Published)
19-37 S34°00'03"E-77.18'
240-3 R=5,530.34' A=597.57' S53°28'59"W-597.27' (Chord)
240-2 S37°02'02"E-100.00'
240-1 S57°05'21"W-258.69'
240-1A N34°00'27"W-198.24'
19-38
19-1 S57°06'50"E-631.95' (Tie) S57°07'E-632' (Published)
19-1A N55°59'33"E-362.97' N56°03'E (Published)
19-38B S34°00'27"E-195.84'
241-1A S57°05'21"W-281.68'
241-1 N57°06'50"W-207.23' N57°07'W (Published)
19-1A
19-1 N76°07'26"E-1,689.24' (Tie)
19-37 N55°59'33"E-360.08' N56°03'E (Published)
243-2 S34°00'03"E-56.60'
243-1 S48°05'48"W-77.10'
242-3 N41°34'42"W-25.00'
242-2 R=5,530.34' A=282.60' S48°56'05"W-282.56' (Chord)
240-3 N34°00'03"W-77.18'
19-37
767.28' N60°36'09"E
399.63' N60°36'06"E
361.24' N60°35'12"E
19-40
19-40B
19-40A
19-39J
19-39H
19-39F
19-39G
19-39B
19-39
19-39E
19-39D
19-39C
19-39A
TELR-1903
TELLICO PORT ROAD
JOHN DAVID HILL, ET UX, VICKIE DB. 230 PG. 131
Iron Pin (Found)
19-36 POB
Monument stamped Everett Land Surveys (Found)
Iron pin w/ plastic cap stamped Everett Land Surveys (Found) 243-2
243-1 (Set)
Concrete R/W Marker (Found)
242-3 (Set)
242-2
242-2 Marker 242-3 3.5'
Iron rod w/ cap stamped Everett Land Surveys (Found) POB 19-37
240-3
XTELR-243
XTELR-242
XTELR-240
XTELR-249
XTELR-233 PARCEL 2
XTELR-233 PARCEL 1
XTELR-5
N47°09'43"E-885.62'
4 Lanes Divided
Road Proj. No. 65-2106
19-1 N69°52'15"E-2,424.33' (Tie)
19-36 S48°05'35"W-411.35'
243-1 N34°00'03"W-56.60'
243-2 N55°59'33"E-407.44' N56°03'E (Published)
19-36
TELLICO RIVER
19-1 (Found)
19-1 N. 443,413.4 E. 2,526,522.9
19-38 POB Rebar w/ cap stamped Everett Land Surveys
19-38A
241-3 Pk nail (Set)
19-38B
241-2 Pk nail (Set)
241-1A
240-1A
240-2
240-1 (Set)
33
411
Monument stamped Everett Land Surveys (Found) 19-1A POB
(Set) 241-1
Concrete R/W Marker (Found)
19-2 WC
19-2
Marker 241-1 1.5'
DETAIL NOT TO SCALE
LOCATION MAP
1" = 3000'
XTELR-240, 241, 242, 243, 249
XTELR-240 2.410 ± Ac.
XTELR-241 1.427 ± Ac.
XTELR-242 0.505 ± Ac.
XTELR-243 0.265 ± Ac.
XTELR-249 1.028 ± Ac.
PLOT SIZE OF THIS MAP HAS BEEN REDUCED BY 50%; INDICATED SCALE HAS BEEN ALTERED.
GRID
N
The positions of corners and directions of lines are referred to the Tennessee State Coordinate System and NAD 27 Horizontal Datum. The elevations for establishing the contours are based on NGVD 1929.
LEGEND
Stamped Monument
Angle Iron
Metal Marker
Corner as described
Point
Reservation Boundary
813 Normal Pool Contour
Limits of Land Sale
Located on VTM Quad VONORE, TN. 139-SW.
Compiled from Reservation Map 65 MS 421 K 511-C-19 R.O. Land Sale Map 65 MS 421 K 514-14 R.B. and plats by Everett Land Surveys, Inc. project No. 4045/4211C-D and 4045/4080-D, and a survey by A.J. Monsees, RLS* 1843-TN, Chattanooga, TN dated 04-21-2003 and 07-12-2005 (RKQ739).
Basis For Coordinates: 19-1
Basis For Azimuth: 19-1 To 19-1A
LAND CONVEYANCE
LAND SALE
MONROE COUNTY, TENNESSEE
SECOND CIVIL DISTRICT
TELLICO RESERVOIR
TENNESSEE VALLEY AUTHORITY
SURVEYING SERVICES
SCALE OF FEET
CHATTANOOGA SEP 2003 65 MS 422 B 579(D) R.2
DIGITAL NO. 65019007/2
2 Added tract XTELR-249 07-05 LLM
1 Reduced size of tracts XTELR-240 & XTELR-241 02-04 LLM
NO. REVISION DATE MADE
SURVEYED RKQ642 DATE 04-21-2003
COMPILED LLM DATE 08-29-2003
CHECKED DPS/HRW DATE 09-08-2003