

THIS INSTRUMENT PREPARED BY:

Kristy Liggan Riley, Esq.
1950 Stonegate Drive, Suite 150
Birmingham, Alabama 35242

SEND TAX NOTICE TO:

James Drayton and Mallory S. Smith
5152 Weatherford Drive
Birmingham, AL 35242

STATE OF ALABAMA
SHELBY COUNTY

STATUTORY WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: That in consideration of Two Hundred Ninety-Nine Thousand Five Hundred and no/100 Dollars (\$299,500.00) to **STONEGATE FARMS, LLC**, an Alabama limited liability company (the "Grantor"), in hand paid by **JAMES DRAYTON SMITH AND MALLORY S. SMITH**, (the "Grantees"), the receipt and sufficiency of which is hereby acknowledged, Grantor does by these presents grant, bargain, sell and convey unto Grantees, subject to the covenants, conditions and other matters set forth below, the real estate situated in Shelby County, Alabama, more particularly described as follows (the "Property"):

Lots 39 and 40 according to the Survey of Stonegate Realty, Phase Two, as recorded in Map Book 31, page 28 A & B, in the Probate Office of Shelby County, Alabama; being situated in Shelby County.

SUBJECT TO:

1. General and special taxes or assessments for 2003 and subsequent year not yet due and payable.
2. Building setback line and easements as shown by recorded plat.
3. Restrictions, covenants and conditions as set out in instrument(s) recorded in Instrument #2001/5954 as amended and restated in Instrument # 2001/12016 together with Articles of Incorporation of Stonegate Farms Property Owners Association, Inc. recorded in Instrument #2001/5955, in the Probate Office of Shelby County.
4. Easement(s) to Alabama Power Company as shown by instrument recorded in Deed Book 176, page 381; Deed Book 185, page 475; Real Page 15, page 899; Deed Book 148, page 18; Deed Book, 182 page 326; Deed Book 184, page 172; Deed Book 138 page 307; Deed Book 240, page 444; Deed Book 321 page 269; Deed Book 331 page 840; Deed Book 310 page 991; Deed Book 242 page 148 and Deed Book 180, page 35, in said Probate Office.
5. Agreement as set out in Inst. No. 1993-8112 in Probate Office (Applies only to that part of the land lying within 100 feet of the water's edge of each of the two lakes on the land)
6. Terms conditions, reservations and restrictions contained in the agreement dated March 19, 1998 by and between "Smyer" and Shelby Lake Corporation as set out by Inst. 1993-8110 in the Probate Office.
7. Easement and Use Retrictions Agreement recorded as Inst. # 2001-02969 in Probate Office
8. Option Agreement nby and between Ingrid Frances Smyer Dubrow, Harald L. Smyer, Jr. and S. W. Sdmyer, Jr. (Lake Lot Owners); Ingrid Frances Smyer Dubrow, Harald L. Smyer, Jr., Sidney W. Smyer, III and S.W. Smyer, Jr. (Hollybrook Owners) and Stonegate Farms, LLC recorded as Inst. # 2001-02970 in Probate Office.
9. Restrictions, limitations and conditions as set out in Map Book 29, page 4A & 4B and Map Book 31, pages 28 A & B in the Probate Office.

10. Release of damages, restrictions, modifications, covenants, conditions, rights, privileges, immunities, as applicable, as set out in, and referenced in deed(s) recorded in Instrument #2001-44913 in the Probate Office
11. Right of Way granted to The Water Works and Sewer Board of the City of Birmingham by instrument(s) recorded in Inst. No. 20020718000335510 in the Probate Office.
12. Restrictive covenants and Grant of Land Easement in favor of Alabama Power Company as shown by instrument(s) recorded in Inst. No. 20021119000577440 in the Probate Office.


Together with the nonexclusive easement to use the Development Roads as more particularly defined and described in the Covenants.

TO HAVE AND TO HOLD unto Grantees, subject to the matters described above, for and during their joint lives as joint tenants and upon the death of either of them, then to the survivor of them in fee simple, and to the heirs and assigns of such survivor forever, together with every contingent remainder and right of reversion.

By acceptance of this Deed, Grantees hereby covenant and agree, for Grantees and Grantees' heirs, assigns, licensees, lessees, employees and agents, that Grantor shall not be liable for, and no action shall be asserted against Grantor for, loss or damage on account of injuries to the Property or to any buildings, improvements, or structures now or hereafter located upon the Property, or on account of past or future injuries to any owner, occupant, or other person in or upon the Property, which are caused by, or arise as a result of soil and/or subsurface conditions, known or unknown (including, without limitation, underground mines, sinkholes, or other geological formations or conditions) under or on the Property or any other property now or hereafter owned by Grantor, whether contiguous or non-contiguous to the Property sold hereunder. For purposes of this paragraph, the term "Grantor" shall mean and refer to (i) Stonegate Farms, LLC; (ii) the members of Stonegate Farms, LLC, both in their capacity as a member and in their separate corporate capacities including, without limitation and as may be applicable, their capacity as the owner or prior owner of any minerals subjacent to Stonegate Farms; (iii) the agents and employees of Stonegate Farms, LLC; (iv) the officers, directors, employees and agents of the members of Stonegate Farms, LLC; (v) any successors and assigns of Stonegate Farms, LLC; and (vi) any successors and assigns of Stonegate Farms LLC's interest in remaining property of Stonegate Farms, LLC. This covenant and agreement shall run with the land conveyed hereby as against Grantees and all persons, firms, trusts, partnerships, limited partnerships, corporations or other entities holding under or through Grantee.

IN WITNESS WHEREOF, Grantor, STONEGATE FARMS, LLC, has caused this conveyance to be executed by its duly authorized President as of the 20th day of March, 2003.

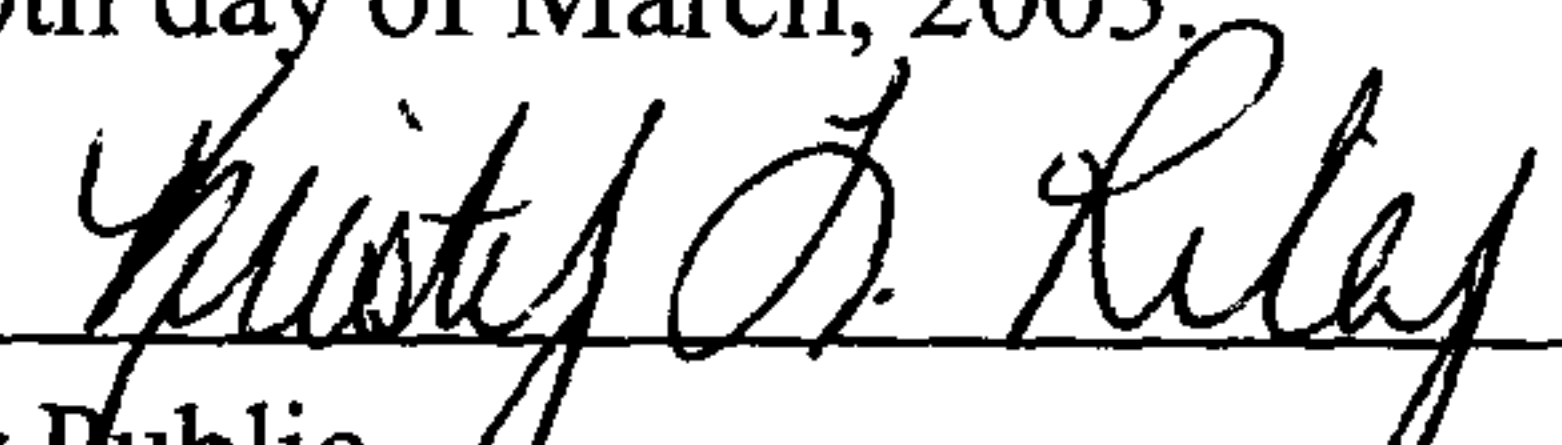
STONEGATE FARMS, LLC an Alabama limited liability company

By: 
Mark D. Elgin
Its: President

STATE OF ALABAMA
JEFFERSON COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that MARK D. ELGIN, whose name as President of Stonegate Farms, LLC, an Alabama limited liability company, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 20th day of March, 2003.


Notary Public
My Commission expires: 10-1-05