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(RECORDING INFORMATION ONLY ABOVE THIS LINE)

This Instrument was prepared by:

R. Shan Paden
PADEN & PADEN
Attorneys at Law
5 Riverchase Ridge, Suite 100
Birmingham, Alabama 35244

SEND TAX NOTICE TO:

JOHN MCDONALD
101 LOCKERBIE LANE
BIRMINGHAM, AL 35223

STATE OF ALABAMA)
COUNTY OF SHELBY)

WARRANTY DEED

Know All Men by These Presents: That in consideration of TWO HUNDRED TEN THOUSAND DOLLARS and 00/100 (\$210,000.00) to the undersigned grantor or grantors in hand paid by the GRANTEES herein, the receipt of which is acknowledged, we, JAMES DRAYTON SMITH and MALLORY S. SMITH, HUSBAND AND WIFE (herein referred to as GRANTORS) do grant, bargain, sell and convey unto JOHN MCDONALD, (herein referred to as GRANTEES, whether one or more) the following described real estate, situated in SHELBY County, Alabama, to-wit:

LOT 40 ACCORDING TO THE SURVEY OF STONEGATE REALTY PHASE TWO AS RECORDED IN MAP BOOK 31, PAGE 28 A AND B, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA.

SUBJECT TO:

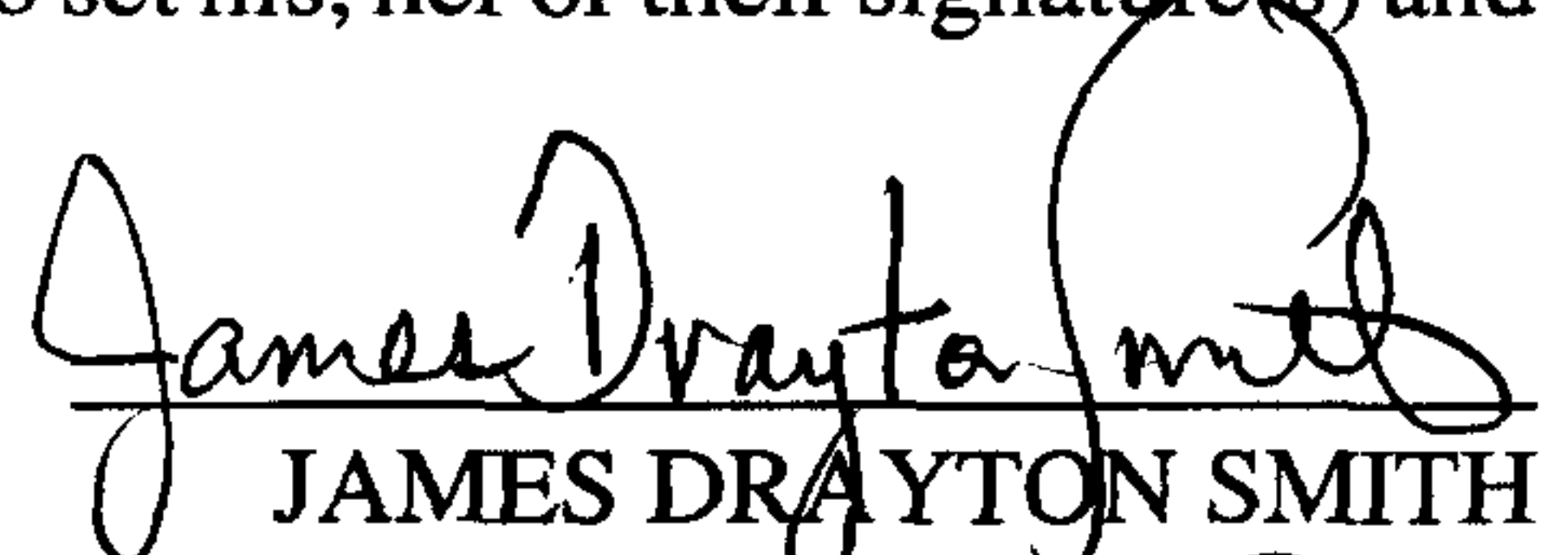
1. TAXES FOR THE YEAR 2003 WHICH CONSTITUTE A LIEN BUT ARE NOT YET DUE AND PAYABLE UNTIL OCTOBER 1, 2004.
2. RESTRICTIONS COVENANTS AND CONDITIONS AS SET OUT IN INSTRUMENTS RECORDED IN INSTRUMENT #2001/5954 AS AMENDED AND RESTATED IN INSTRUMENT 2001/12016 TOGETHER WITH ARTICLES OF INCORPORATION OF STONEGATE FARMS PROPERTY OWNERS ASSOCIATION INC. RECORDED IN INSTRUMENT 2001/5955 IN THE PROBATE OFFICE.
3. EASEMENT 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 310, PAGE 991; DEED BOOK 242, PAGE 148 AND DEED BOOK 180, PAGE 35 IN THE PROBATE OFFICE.
4. AGREEMENT SET OUT IN INSTRUMENT 1993-8112 IN THE PROBATE OFFICE.
5. TERMS CONDITIONS RESERVATIONS AND RESTRICTIONS CONTAINED IN THE AGREEMENT DATED MARCH 19, 1998 BY AND BETWEEN SMYOR AND SHELBY LAKE CORPORATION AS SET OUT IN INSTRUMENT 1993-8110.
6. EASEMENT AND USE RESTRICTIONS AGREEMENT RECORDED IN INST. 2001-02969 IN PROBATE OFFICE.

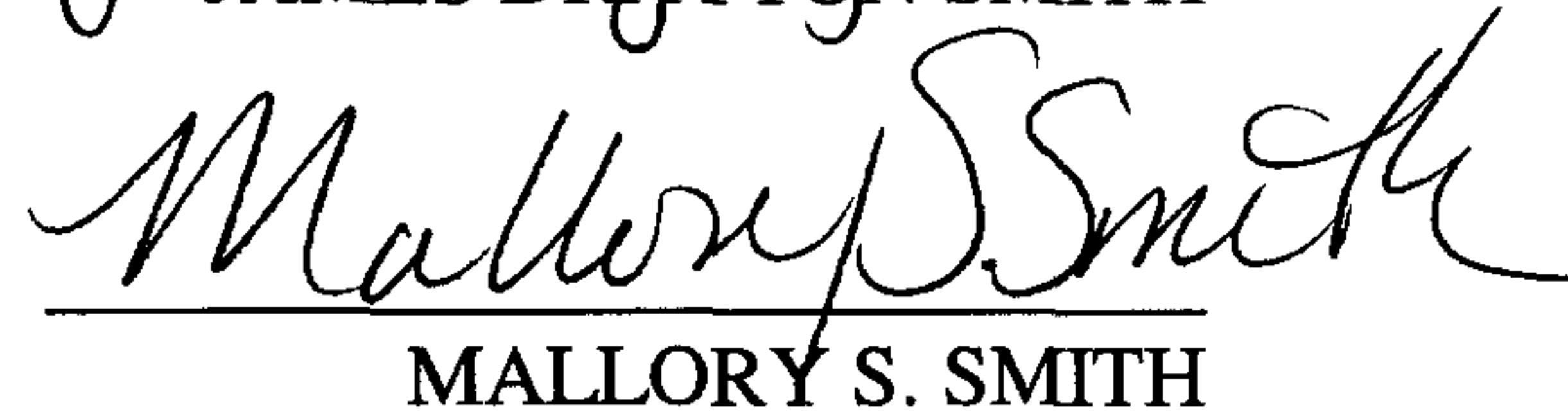
7. OPTION AGREEMENT BY AND BETWEEN INGRID FRANCES SMYER DUBROW, HARALD L. SMYER, JR. AND S. W. SMYER, JR.; INGRID FRANCE SMYER DUBROW, HARALD L. SMYER, JR., SIDNEY W. SMYER, III AND S. W. SMYER, JR. (HOLLYBROOK OWNERS) AND STONEGATE FARMS, LLC RECORDED AS INSTRUMENT 2001-02970 IN THE PROBATE OFFICE.
8. RESTRICTIONS LIMITATIONS AND CONDITIONS AS SET OUT IN MAP BOOK 29, PAGE 4A AND 4B AND MAP BOOK 31, PAGES 28 A AND B IN THE PROBATE OFFICE.
9. RELEASE OF DAMAGES RESTRICTIONS MODIFICATIONS COVENANTS CONDITIONS RIGHTS PRIVILEGES IMMUNITIES AS APPLICABLE AS SET OUT IN AND REFERENCED IN DEED RECORDED IN INSTRUMENT 2001-44913 IN THE PROBATE OFFICE.
10. RIGHT OF WAY TO WATER WORKS AND SEWER BOARD OF THE CITY OF BIRMINGHAM RECORDED IN INSTRUMENT 20020718000335510 IN THE PROBATE OFFICE.
11. RESTRICTIVE COVENANTS AND GRANT OF LAND EASEMENT IN FAVOR OF ALABAMA POWER COMPANY AS SHOWN BY INSTRUMENTS RECORDED IN INSTRUMENT 20021119000577440.

TO HAVE AND TO HOLD Unto the said GRANTEES, his, her or their heirs and assigns, forever.

And I (we) do for myself (ourselves) and for my (our) heirs, executors, and administrators covenant with the said GRANTEES, his, her, or their heirs and assigns, that I am (we are) lawfully seized in fee simple of said premises; that they are free from all encumbrances, unless otherwise noted above; that I (we) have a good right to sell and convey the same as aforesaid; that I (we) will and my (our) heirs, executors and administrators shall warrant and defend the same to the said GRANTEES, his, her, or their heirs and assigns forever, against the lawful claims of all persons.

IN WITNESS WHEREOF, the said GRANTORS, JAMES DRAYTON SMITH and MALLORY S. SMITH, HUSBAND AND WIFE, have hereunto set his, her or their signature(s) and seal(s), this the 5th day of December, 2003.


JAMES DRAYTON SMITH

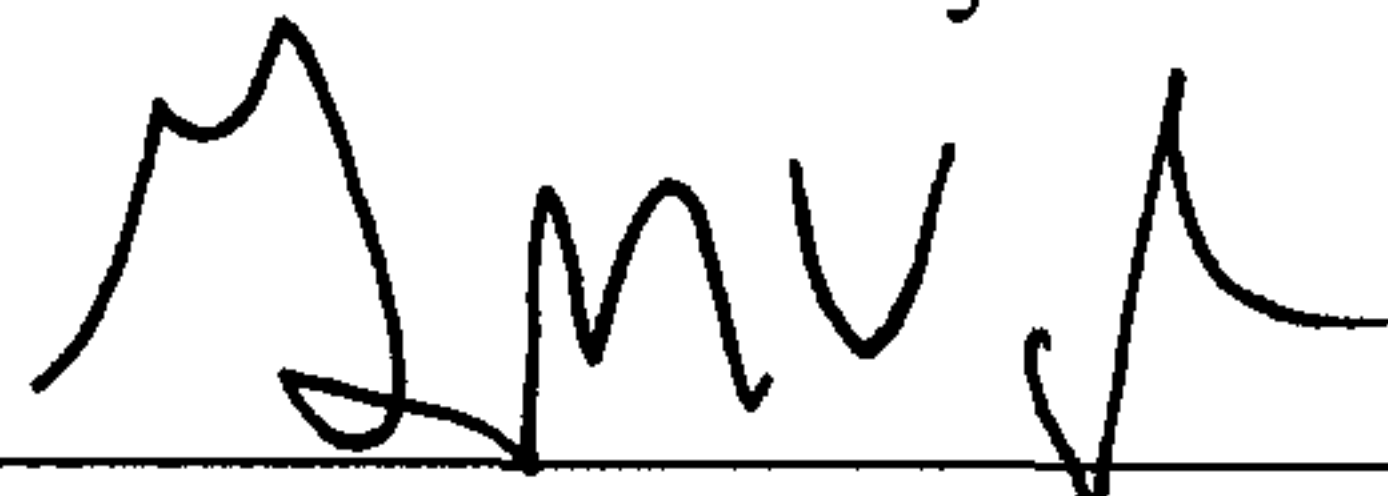

MALLORY S. SMITH

STATE OF ALABAMA)
COUNTY OF SHELBY)

ACKNOWLEDGEMENT

I, the undersigned, a Notary Public, in and for said County, in said State, hereby certify that JAMES DRAYTON SMITH, MALLORY S. SMITH whose name(s) is (are) signed to the foregoing conveyance, and who is (are) known to me, acknowledged before me on this day that, being informed of the contents of the conveyance he, she, or they executed the same voluntarily on the day the same bears date.

Given under my hand this the 5th day of December, 2003.



Notary Public
My commission expires: 9.29.06