

This instrument was prepared by:
Clayton T. Sweeney, Esquire
2700 Highway 280 East
Suite 290E
Birmingham, Alabama 35223

Send Tax Notice to:
CHARLES DAVID ELDRIDGE and
JOYCE DARLENE ELDRIDGE
2824 Downing Circle
Birmingham AL 35292

STATE OF ALABAMA)
COUNTY OF SHELBY)

STATUTORY WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that in consideration of ONE HUNDRED THIRTY THOUSAND AND 00/100 Dollars (\$130,000.00) to the undersigned grantor, HIGHLAND LAKES DEVELOPMENT, LTD., an Alabama limited partnership (herein referred to as "Grantor"), in hand paid by Grantee named herein, the receipt of which is hereby acknowledged, the said HIGHLAND LAKES DEVELOPMENT, LTD, an Alabama limited partnership, does by these presents, grant, bargain, sell and convey unto **CHARLES DAVID ELDRIDGE and JOYCE DARLENE ELDRIDGE** (hereinafter referred to as "Grantees", whether one or more), as joint tenants with right of survivorship, the following described real estate (the "property"), situated in Shelby County, Alabama, to-wit:

Lot 118, according to the Map of Highland Lakes, 1st Sector, an Eddleman Community, as recorded in Map Book 18, Page 37 A, B, C, D, E, F & G, in the Probate Office of Shelby County, Alabama.

Together with nonexclusive easement to use the private roadways, Common Area all as more particularly described in the Declaration of Easements and Master Protective Covenants for Highland Lakes, a Residential Subdivision, recorded as Instrument #1994-07111 in the Probate Office of Shelby County, Alabama, and the Declaration of Covenants, Conditions and Restrictions for Highland Lakes, a Residential Subdivision, 1st Sector, recorded as Instrument #1994-07112 in the Probate Office of Shelby County, Alabama (which, together with all amendments thereto, is hereinafter collectively referred to as, the "Declaration").

Mineral and mining rights excepted.

§ All of the purchase price recited above was paid from the proceeds of a mortgage loan closed simultaneously herewith.

The above property is conveyed subject to:

(1) Ad Valorem taxes due and payable October 1, 1997, and all subsequent years thereafter, including any "roll-back taxes."

(2) Public utility easements as shown by recorded plat, including any tree bufferline as shown on recorded plat.

(3) Declaration of Easements and Master Protective Covenants for Highland Lakes, a Residential Subdivision, which provides, among other things, for an Association to be formed to assess and maintain the private roadways, etc. of the development; all of said covenants, restrictions and conditions being set out in instrument recorded as Instrument #1994-07111, in said Probate Office, along with Articles of Incorporation of Highland Lakes Residential Association, Inc. as recorded as Instrument 9402/3947, in the Office of the Judge of Probate of Jefferson County, Alabama.

Inst # 1996-38593
11/22/1996-38593
09:16 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MCD 17.00

(4) Declaration of Covenants, Conditions and Restrictions for Highland Lakes, a Residential Subdivision, First Sector, as recorded as Instrument #1994-07112, in said Probate Office.

(5) Subdivision restrictions shown on recorded plat in Map Book 18, Page 37, A, B, C, D, E, F & G provide for construction of single family residence only.

(6) Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including rights set out as Instrument Book 28, Page 237, in said Probate Office.

(7) Subject to the provision of Sections 2.3 and 2.6 of the Declaration, the property shall be subject to the following minimum setbacks:

(a) Front setback: 59 feet or more, as per plot plan which must be approved by the ARC; dwelling length to be a minimum of 75 feet along front setback, subject to amendment by ARC. Dwelling to be of traditional design with substantially brick exterior.

(b) Rear setback: 35 feet

(c) Side setback: 15 feet

(8) Right(s) of Way(s) granted to Alabama Power Company by instrument(s) recorded in Book 111, page 408, Book 109, page 70; Book 149, page 380; Book 173, page 364, Book 276, page 670, Book 134, page 408, Book 133, page 212, Book 133, page 210, and Real Volume 31, page 355 in said Probate Office.

(9) Right(s) of Way(s) granted to Shelby County, Alabama, by instrument(s) recorded in Book 196, page 246 in said Probate Office.

(10) Agreement with Alabama Power Company as to covenants pertaining thereto, recorded as Instrument #1994-1186, in said Probate Office.

(11) Rights of riparian owners in and to the use of Lake, if any.

(12) Lake Easement Agreement executed by Highland Lake Properties, Ltd. and Highland Lake Development, Ltd., providing for easements, use by others, and maintenance of Lake Property described within Instrument #1993-15705 in said Probate Office.

(13) Easement for ingress and egress to serve Highland Lakes Development executed by Highland Lakes Development, Ltd., to Highland Lakes Properties, Ltd., recorded as Instrument #1993-15704 in said Probate Office.

Grantee agrees to observe and perform all obligations imposed upon said Grantees pursuant to the Declarations, including but not limited to the obligation to pay assessments levied on the property herein conveyed in accordance with the Declarations.

Grantee understands and agrees that Grantor has obtained from the Alabama Department of Environmental Management (ADEM) a General Permit for stormwater runoff from construction, excavation, land clearing, other land disturbance activities and associated areas to comply with the terms and conditions of said General Permit in the design and construction of improvements on the Property which shall include, without limitation, the preparation and implementation of

a Best Management Practices Plan for structural and non-structural practices to prevent/minimize the discharge of all sources of pollution (i.e., sediment, trash, garbage, debris, oil, grease, chemicals, etc.) to State waters in stormwater run-off in accordance with the requirements of the General Permit.

Grantee shall indemnify and hold Grantor harmless for any loss or damage suffered by the Grantor as a result of Grantee's violation of or failure to comply with the terms, conditions and requirements of the General Permit. Further, if Purchaser shall be in violation of the General Permit, Grantor shall have the right after 10 days notice to take such corrective action as may reasonably be necessary to cure such violation and Grantee shall indemnify and hold Grantor harmless for any costs reasonably incurred in taking any such corrective action.

This conveyance is made with the express reservation and condition that by acceptance of this deed, the Grantees, for themselves and on behalf of their heirs, administrators, executors, successors, assigns, contractors, permittees, licensees and lessees, hereby release and forever discharge Grantor, its successors and assigns, from any and all liability, claims and causes of action whether arising at law (by contract or in tort) or in equity with respect to damage or destruction of property and injury to or death of any person located in, on, or under the surface of or over lands herein conveyed, as the case may be, which are caused by, or arise as a result of, past or future soil, subsoil or other conditions (including without limitation, sinkholes, underground mines, and limestone formations) under or on the Property, whether contiguous or non-contiguous. The Grantee(s) agree(s) that he (she) (they) is (are) acquiring the Property "AS IS", without any representation or warranty on the part of Grantor other than as to title. Further, the Grantee, its successors and assigns hereby acknowledges that the Grantor shall not be liable for and no action shall be asserted against Grantor in connection with any drainage easements, ditches or pipes or drainage problems associated therewith and that Grantee has inspected the same and accepts the property along with all drainage easements, ditches or pipes in its present "AS IS" condition. For purposes of this paragraph the term Grantor shall mean and refer to (i) the partners, agents and employees of Grantor; (ii) the officers, directors, employees and agents of general partners of Grantor or partners thereof; (iii) any successors or assigns of Grantor; and (iv) any successors and assigns of Grantor's interest in the Property. This covenant and agreement shall run with the land conveyed hereby as against Grantee, and all persons, firms, trusts, partnerships, limited partnerships, corporations, or other entities holding under or through Grantee.

TO HAVE AND TO HOLD unto the said Grantees, as joint tenants, with right of survivorship, their heirs and assigns, forever; it being the intention of the parties to this conveyance, that (unless joint tenancy hereby created is severed or terminated during the joint lives of the grantees herein) in the event one grantee herein survives the other, the entire interest in fee simple shall pass to the surviving grantee, and if one does not survive the other, then the heirs and assigns of the grantees herein shall take as tenants in common.

IN WITNESS WHEREOF, the said Grantor has hereunto set its hand by its duly authorized officer this 13th day of November, 1996.

GRANTOR:

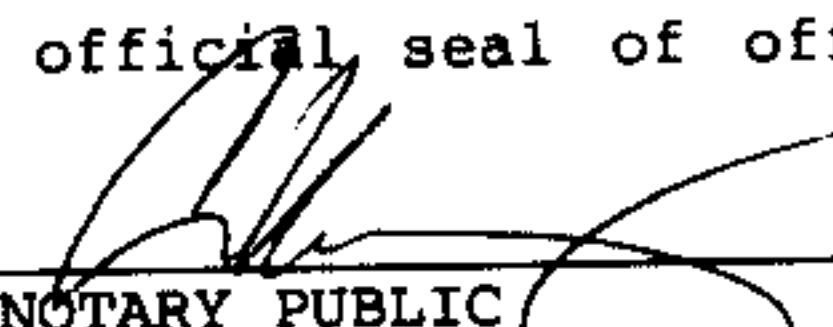
HIGHLAND LAKES DEVELOPMENT, LTD.
By: EDDLEMAN PROPERTIES, INC.
Its General Partner
By: 
Douglas D. Eddleman,
Its President

HIGHLAND LAKES - 1st Sector
Lot 118 - CHARLES DAVID ELDRIDGE & JOYCE DARLENE ELDRIDGE

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State hereby certify that Douglas D. Eddleman, whose name as President of Eddleman Properties, Inc., an Alabama Corporation, which is General Partner of Highland Lakes Development, Ltd., an Alabama Limited Partnership, is signed to the foregoing Deed, and who is known to me, acknowledged before me on this day that, being informed of the contents of the above and foregoing Deed, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said Corporation acting in its capacity as general partner of said limited partnership.

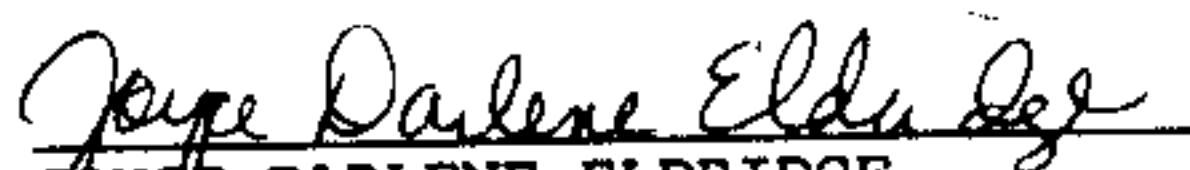
13th Given under my hand and official seal of office this the day of November, 1996.


NOTARY PUBLIC

My Commission expires: 5-27-99

The Grantee executes this deed only to acknowledge and accept all covenants and restrictions contained hereinabove and Grantee, his successors and assigns, agree and understand that the property conveyed herein is subject to the foregoing covenants and restrictions.

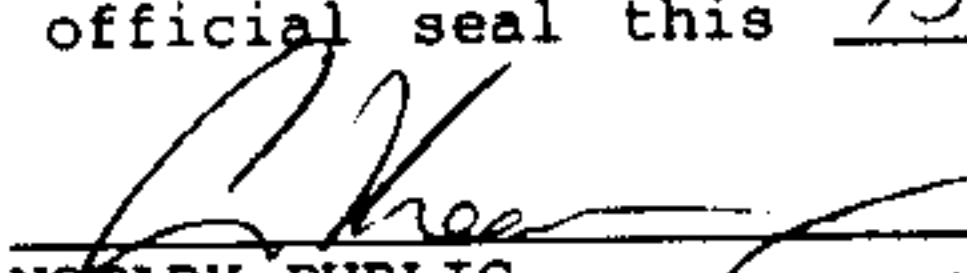

CHARLES DAVID ELDRIDGE


JOYCE DARLENE ELDRIDGE

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that CHARLES DAVID ELDRIDGE and JOYCE DARLENE ELDRIDGE, whose names are signed to the foregoing conveyance, and who are known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 13th day of November, 1996.


NOTARY PUBLIC

My Commission expires: 5-27-99

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