

This instrument was prepared by:
Clayton T. Sweeney, Esquire

Send Tax Notice to:
DENMAN CONSTRUCTION CO.,
INC.

2700 Highway 280 East
Suite 290E
Birmingham, Alabama 35223

STATE OF ALABAMA)
COUNTY OF SHELBY)

STATUTORY WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that in consideration of FORTY-SEVEN THOUSAND and NO/100 Dollars (\$47,000.00) 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 DENMAN CONSTRUCTION CO., INC. (hereinafter referred to as "Grantee", whether one or more), the following described real estate (the "property"), situated in Shelby County, Alabama, to-wit:

Lots 263, according to the Map of Highland Lakes, 2nd Sector, an Eddleman Community, as recorded in Map Book 20, Page 150, 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, 2nd Sector, recorded as Instrument #1996-10928 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.

The above recited consideration was paid from a Mortgage loan closed simultaneously herewith.
The above property is conveyed subject to:

(1) Ad Valorem taxes due and payable October 1, 1998, 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.

(4) Declaration of Covenants, Conditions and Restrictions for Highland Lakes, a Residential Subdivision, Second Sector, as recorded as Instrument #1996-10928, in said Probate Office.

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.

The Grantor shall have a right of first refusal to re-purchase the property at the original purchase price as described herein from the Grantee in the event Grantee has not commenced construction of a residence on said property within Six (6) months from date of closing, (Hereinafter referred to as the "Settlement Date"). In the event Grantee is not able to satisfy this condition, the Grantor or its assignee shall have the right and option to purchase the Property at a purchase price equal to the "Total Sales Price" by delivery of written notice to the Grantee at any time prior to commencement of construction of the Residence. In the event Grantor or its assignee shall exercise this option, the Grantee shall sell, and the Grantor or its assignee shall purchase the Property at a closing to be held not later than thirty (30) days after the exercise of the option. At the closing, Grantor or its assignee shall pay the Grantee the purchase price in immediately available funds (unless otherwise agreed) and Grantor shall deliver a warranty deed for the Property to Grantor or its assignee conveying fee simple title to the Property free and clear of all liens, claims and encumbrances except for the Permitted Exceptions. The purchase of the Property pursuant to this option shall be Grantors' sole and exclusive remedy for Grantee's failure to construct a Residence as herein required.

TO HAVE AND TO HOLD to the said Grantee, his heirs and assigns, forever.

IN WITNESS WHEREOF, the said Grantor has hereunto set its hand by its duly authorized officer this 13th day of March, 1998.

GRANTOR:

HIGHLAND LAKES DEVELOPMENT, LTD.

an Alabama Limited Partnership

By: Eddleman Properties, Inc.

its General Partner

By:

Douglas D. Eddleman,

Its President

HIGHLAND LAKES - 2nd Sector
Lot 263 - DENMAN CONSTRUCTION CO., INC.

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 March, 1998.

NOTARY PUBLIC

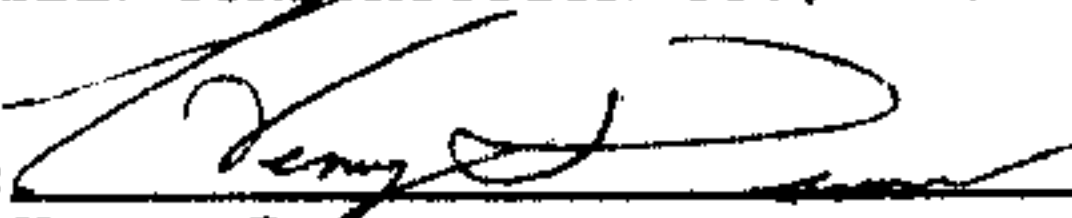
My Commission expires:

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.

DENMAN CONSTRUCTION CO., INC.

BY:


Henry Denman
ITS President

Inst # 1998-09617

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Henry Denman, whose name as President of DENMAN CONSTRUCTION CO., INC., a corporation, 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 corporation on the day the same bears date.

Given under my hand and official seal this 17th day of March, 1998.


NOTARY PUBLIC

My Commission expires: 5-29-99

Inst # 1998-09617

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03/19/1998-09617
10:46 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MCB 17.00