

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

Send Tax Notice to:
Highland Lakes Residential Assn., Inc.
2700 Highway 280 East
Suite 325
Birmingham, AL 35223

STATUTORY WARRANTY DEED

STATE OF ALABAMA)
COUNTY OF SHELBY)

1,000.00

KNOW ALL MEN BY THESE PRESENTS, that in consideration of TEN DOLLARS (\$10.00) and other good and valuable consideration, paid to the undersigned grantor, **HIGHLAND LAKES PROPERTIES, LTD., an Alabama limited partnership**, in hand paid by Grantee named herein, the receipt of which is hereby acknowledged, the said **HIGHLAND LAKES PROPERTIES, LTD., an Alabama limited partnership**, (hereinafter referred to as "Grantor") does by these presents, grant, bargain, sell and convey unto **HIGHLAND LAKES RESIDENTIAL ASSOCIATION, INC., an Alabama Corporation** (hereinafter referred to as "Grantee"), the following described real estate (the "property"), situated in Shelby County, Alabama, to-wit:

EXHIBIT "A" IS ATTACHED HERETO AND MADE A PART HEREOF, REFERRED TO AS LAKE 2, ALSO KNOWN AS "HIGHLAND LAKE", CONTAINING 38.138 ACRES, MORE OR LESS.

Inst # 1999-40628

Mineral and mining rights excepted.

09/29/1999-40628
01:14 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
003 CJ1 14.50

The above property is conveyed subject to:

(i) All valid and enforceable easements, covenants, conditions and restrictions of record, (ii) the lien of ad valorem and similar taxes (but not including "rollback" taxes) for 1999 and subsequent years, and (iii) all matters that would be revealed by a current and accurate physical survey of the subject property.

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 to the said Grantee, his heirs and assigns, forever.

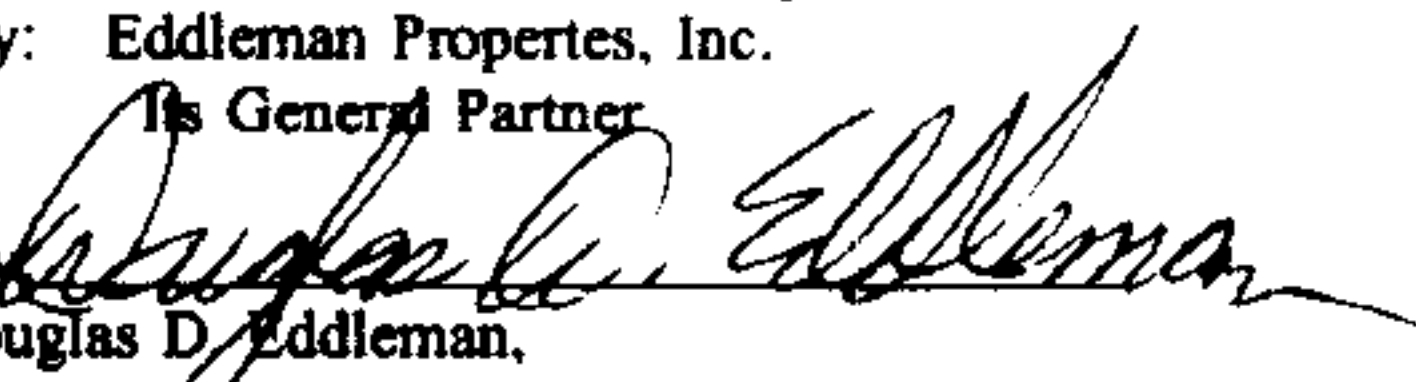
IN WITNESS WHEREOF, the said Grantor has hereunto set its hand by its duly authorized officer this 6th day of August, 1999.

GRANTOR:

HIGHLAND LAKES PROPERTIES, LTD.
an Alabama Limited Partnership

By: Eddleman Properties, Inc.

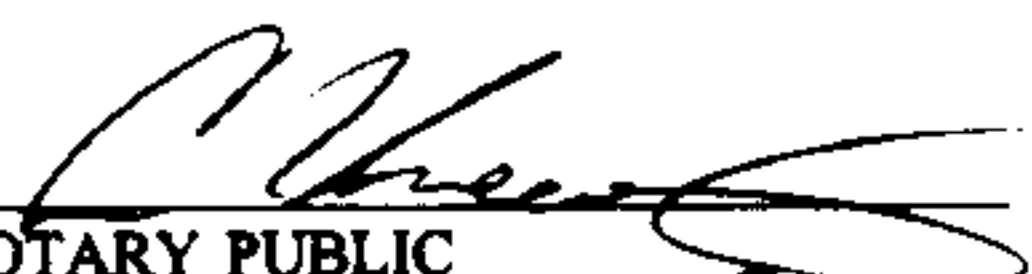
Its General Partner

By: 
Douglas D. Eddleman,
Its President

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 Properties, 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.

Given under my hand and official seal of office this the 6th day of August, 1999.


NOTARY PUBLIC

My Commission expires: 6-5-2003

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Lake 2: Also known as "Highland Lake"

Commence at a iron pin locally accepted to be the Northwest corner of said Section 9, thence run South 0 degrees 59 minutes 35 seconds West along the West line of said Section 9 for a distance of 5,428.12 feet to an iron pin found locally accepted to be the Southwest corner of said Section 9; thence run North 33 degrees 39 minutes 42 seconds East for a distance of 135.63 feet to a point; thence run North 14 degrees 58 minutes 33 seconds West for a distance of 190.00 feet to a point; thence run North 15 degrees 40 minutes 21 seconds East for a distance of 68.23 feet to a point; thence run North 10 degrees 42 minutes 34 seconds West for a distance of 134.88 feet to a point; thence run North 10 degrees 25 minutes 01 seconds East for a distance of 80.00 feet to a point; thence run North 8 degrees 50 minutes 51 seconds East for a distance of 160.00 feet to a point; thence run North 18 degrees 18 minutes 35 seconds East for a distance of 60.83 feet to a point; thence run North 8 degrees 50 minutes 51 seconds East for a distance of 145.00 feet to a point; thence run North 17 degrees 51 minutes 51 seconds East for a distance of 154.19 feet to a point; thence run North 49 degrees 56 minutes 14 seconds East for a distance of 72.46 feet to a point; thence run North 13 degrees 41 minutes 58 seconds East for a distance of 140.00 feet to a point; thence run North 34 degrees 54 minutes 35 seconds West for a distance of 121.20 feet to a point; thence run North 70 degrees 27 minutes 33 seconds West for a distance of 27.98 feet to a point; thence run North 78 degrees 33 minutes 03 seconds West for a distance of 337.35 feet to a point; thence run South 21 degrees 29 minutes 17 seconds West for a distance of 227.95 feet to a point; thence run North 34 degrees 33 minutes 39 seconds West for a distance of 303.17 feet to a point; thence run North 40 degrees 50 minutes 51 seconds East for a distance of 465.00 feet to a point on a curve to the left having a central angle of 4 degrees 26 minutes 22 seconds and a radius of 1,319.94 feet; thence run in a Northeasterly direction along the arc of said curve for a distance of 102.27 feet to a point; thence run North 36 degrees 24 minutes 29 seconds East for a distance of 296.91 feet to a point on a curve to the right having a central angle of 33 degrees 30 minutes 00 seconds and a radius of 453.42 feet; thence run in a Northeasterly direction along the arc of said curve for a distance of 265.11 feet to a point; thence run North 69 degrees 54 minutes 29 seconds East for a distance of 219.51 feet to a point on a curve to the left having a central angle of 42 degrees 30 minutes 00 seconds and a radius of 544.30 feet; thence run in a Northeasterly direction along the arc of said curve for a distance of 403.74 feet to a point; thence run North 27 degrees 24 minutes 29 seconds East for a distance of 323.98 feet to a point on a curve to the right having a central angle of 71 degrees 00 minutes 00 seconds and a radius of 385.00 feet; thence run in a Northeasterly direction along the arc of said curve for a distance of 477.09 feet to a point; thence run South 81 degrees 35 minutes 31 seconds East for a distance of 457.04 feet to a point; thence run South 28 degrees 02 minutes 33 seconds West for a distance of 113.53 feet to a point on the 760.00 contour; thence run along the 760.00 contour, said contour being the point of beginning of Lake 2; thence run around the 760 contour and also around said Lake 2 for a distance of 12,885.64 feet, more or less, to the point of beginning. Said Lake 2 contains 38.138 acres, more or less.