

This instrument was prepared by:

John L. Hartman, III
P. O. Box 846
Birmingham, Alabama 35201

Send Tax Notice To:

Mark W. Sheehan
1073 Legacy Drive, B'ham, AL 35243

DEED BY DEBTOR-IN-POSSESSION

STATE OF ALABAMA)

SHELBY COUNTY)

THIS INDENTURE made the 4TH day of April, 2001, between WHITCOMB HOMES, INC., Debtor-in-Possession, under Bankruptcy filed in the United States Bankruptcy Court for the Northern District of Alabama ("The Court"), Case No. BK 01-01802-TBB-11 (Party of the First Part), and MARK W. SHEEHAN and wife, BRENDA L. SHEEHAN, (Parties of the Second Part):

W I T N E S S E T H:

WHEREAS, the Party of the First Part did file with the Court and give notice to all creditors a Notice of Intent to Sell Assets Free and Clear of all Liens, as per the Affidavit of Michael Whitcomb, President of the Debtor, and the Certificate of Service filed in open court on March 23, 2001, and the Certificate of Service filed on March 20, 2001, as per the attached Order entered March 23, 2001 approving the Motion to Sell Property Free and Clear of Liens and Interests.

NOW, THEREFORE, for and in consideration of the sum of Seven Hundred Eighty Thousand Four Hundred Seventy-six and no/100 (\$780,476.00) Dollars, lawful money of the United States, paid by the Parties of the Second Part, and pursuant to the Order entered March 23, 2001 by The Court, the undersigned Party of the First Part, by virtue of its authority as a Debtor-in-Possession in the above-described Chapter 11 proceeding, does hereby grant, bargain, convey and release unto the said MARK W. SHEEHAN and wife, BRENDA L. SHEEHAN, for and during their joint lives and upon the death of either of them, then to the survivor of them in fee simple, together with every contingent remainder and right of reversion, the following described real property located in Shelby County, Alabama, to-wit:

Lot 122, according to the Survey of Greystone Legacy, 1st Sector, as recorded in Map Book 26, page 79 A, B & C, in the Probate Office of Shelby County, Alabama.

Together with the appurtenances and also all the estate which the said WHITCOMB HOMES, INC., Debtor, had at the time of the filing of the Petition in Bankruptcy in said United States Bankruptcy Court for the Northern District of Alabama, in said premises, and also the estate therein which the Party of the First Part has or has power to convey or dispose of, as Debtor-in-Possession.

TO HAVE AND TO HOLD the premises herein granted unto the said MARK W. SHEEHAN and wife, BRENDA L. SHEEHAN, for and during their joint lives 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.

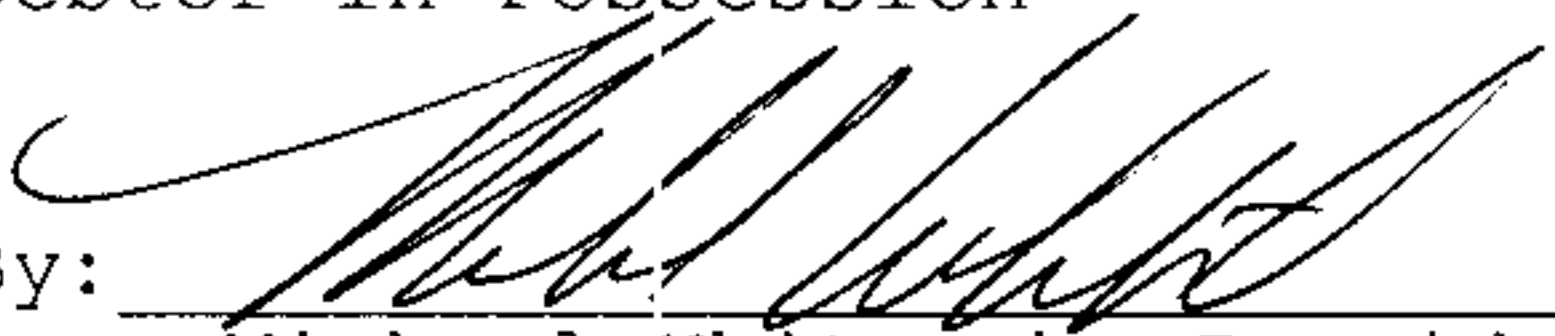
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10:42 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE

MEL 153.50

Inst # 2001-13253

IN WITNESS WHEREOF, the Party of the First Part has hereunto set its hand and seal the day and year first above written.

WHITCOMB HOMES, INC.
Debtor-in-Possession

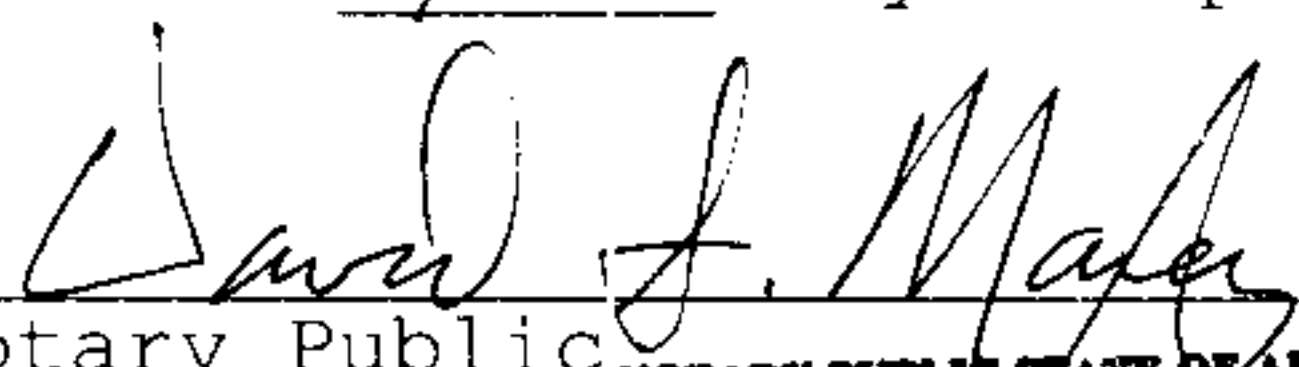
By: 
Michael Whitcomb, President

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that MICHAEL WHITCOMB, whose name as President of WHITCOMB HOMES, INC., Debtor-in-Possession, 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, in his capacity as such officer, executed same voluntarily on the day same bears date for and on behalf of said Debtor-in-Possession.

Given under my hand and official seal this 4th day of April, 2001.


Notary Public **NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: May 7, 2001.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.**

also claim that the Debtor owes \$6,524.00 in ad valorem taxes on the property. The Debtor also disputes this figure, but is willing to accept same for calculations to resolve the dispute. When the figures for the ad valorem taxes and additional costs to complete the house are deducted, the sales price comes to \$805,476.00. Debtor has agreed to further reduce the sale price to \$780,476.00, which represents a reduction in the sales price by \$25,000.00. In consideration for this reduction in the sales price, the Sheehans have agreed: (a) to purchase the house, as is, where is and without any warranties; (b) purchase the house when it has not yet been completed and to complete the construction of the house at their own cost; (c) to waive and release any claims they may have against the Debtor, its affiliates, principals, officers, shareholders and directors; (d) pay any and all closing costs associated with the sale, other than real estate commissions, if any, which will be paid from the proceeds, subject to approval by the Bankruptcy Court; and (e) to release the Debtor, its affiliates, principals, officers, shareholders, and directors from any warranties, agreements, or covenants, including but not limited to the warranty attached to the Motion hereto as Exhibit B.

There is a first mortgage held by Aliant Bank encumbering the property with a balance owed in the amount of approximately \$770,000.00. Interest is accruing at the rate of approximately \$190.00 to \$200.00 per day on this mortgage. In addition, there are claimants asserting mechanics and materialman's lien claims against the subject property.

Proper notice was given to all of the creditors, claimants, Aliant Bank and to the entities providing labor or materials for the construction of the house on the subject property as set forth in the Affidavit of Michael Whitcomb, President of the Debtor, and the Certificate of Service filed herein in open court on March 23, 2001, and the Certificate of Service filed on March 20, 2001.

This Court having concluded that proper notice having been given and that the sale of the property free and clear of any liens, claims or interest is in the best interest of the Debtor, the creditors and parties in interest in this bankruptcy case and the Sheehans, it is hereby **ORDERED, ADJUDGED and DECREED**, as follows:

- A. The sale of the subject property is hereby approved based upon the terms set forth in the Motion to Sell Property Free and Clear of Liens and Other Interests filed herein on March 14, 2001, except as set forth herein.
 - B. The property shall be sold to the Sheehans free and clear of any claims, liens, or encumbrances with any claims, liens, or encumbrances against the property to attach to the proceeds from the sale to the same extent and priority that those claims, liens, or encumbrances would attach to the real estate.
 - C. At the closing, the Sheehans shall pay the total sum of \$780,476.00 in cash, or certified funds ("the proceeds") and this sum shall be placed in a separate interest bearing account.
 - D. The proceeds shall not be subject to disbursal to any entity absent further
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orders of this Court.

- E. The entry of this Order shall not impede the right of Realty South to pursue any claims, if any, it may have against the purchasers based upon any separate contract that the purchasers may have with Realty South in regard to the sale of the subject property. The balance of Realty South's objection to the motion is OVERRULED.
- F. The objection of Daniel Realty to the sale is OVERRULED.
- G. The objections of all other entities filed herein are OVERRULED.
- H. Upon the entry of this Order, the Debtor, its affiliates, principals, officers, shareholders and directors shall be released from any claims the Sheehans may have against them, including, but not limited to warranty claims arising from the construction, or sale of the subject property, or any agreement relating thereto, including, but not limited to the Presale Purchase Contract.
- I. The property is to be sold as is, where is and without warranties.

Done this the 23rd day of March, 2001



Thomas B. Bennett, Bankruptcy Judge

Inst # 2001-13253

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10:42 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE
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