

THIS INSTRUMENT PREPARED BY:
Riley & Riley, P.C.
1950 Stonegate Drive, Suite 150
Birmingham, Alabama 35242

SEND TAX NOTICE TO:
John B. Padgett
3601 Cumberland Trace
Birmingham, AL 35242

STATE OF ALABAMA
SHELBY COUNTY

STATUTORY WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: That in consideration of Two Hundred Twenty-Five Thousand and no/100 Dollars (\$225,000.00) to **STONEGATE FARMS, LLC**, an Alabama limited liability company (the "Grantor"), in hand paid by **JOHN B. PADGETT** (the "Grantee"), the receipt and sufficiency of which is hereby acknowledged, Grantor does by these presents grant, bargain, sell and convey unto Grantees, subject to the covenants, conditions and other matters set forth below, the real estate situated in Shelby County, Alabama, more particularly described as follows (the "Property"):

Lot 16, according to the Survey of Stonegate Realty, Phase One, as recorded in Map Book 29, page 4 A & B, in the Probate Office of Shelby County, Alabama.

TOGETHER WITH the right to use Stonegate Drive for access to the above described property

SUBJECT TO:

1. General and special taxes or assessments for 2004 and subsequent year not yet due and payable.
2. Restrictions, covenants and conditions as set out in instrument(s) recorded in Inst. # 2001-5954 as amended and restated in Inst. # 2001-12016; Inst. No. 2001-5954; Inst. No. 2001-12016 and Inst. No. and Inst. No. 2003-11166 together with Articles of Incorporation of Stonegate Farms Property Owners Association, Inc. recorded in Inst. # 2001-5955 in the Probate Office.
3. Easement(s) to Alabama Power Company as shown by instrument recorded in Deed Book 176, page 381; Deed Book 185, page 475; Real 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 240, page 444; Deed Book 321, page 269; Deed Book 331, page 840; Deed Book 310, page 991; Deed Book 242, page 148 and Deed Book 180, page 35, in said Probate Office.
4. Agreement as set out in Instrument #1993/8112 in said Probate Office. (Applies only to that part of the land lying within 100 feet of the water's edge of each to the two lakes on the land).
5. Easement and Use Restrictions Agreement recorded as Instrument #2001/02969 in said Probate Office.
6. Restrictions, limitations and conditions as set out in Map Book 29, page 4 A & B in the Probate Office.
7. Release(s) of damages as set out instrument(s) recorded in Inst. No. 2002-05746 and in Instrument #20020904000422210 in the Probate Office.
8. Terms, conditions, reservations and restrictions contained in the agreement dated March 19, 1993 by and between "Smyer" and Shelby Lake Corporation as set out by Instrument #1993/8110 in said Probate Office.
9. A 30 foot storm and trail easement as shown on Map Book 29, page 4A and 4B.
10. Underground Transmission line to Alabama Power Company as set out in Inst. No. 2002-18715 in the Probate Office.

11. A 20 foot irregular drainage easement running through said lot as shown on Map Book 29 page 4 A & B.

Together with the nonexclusive easement to use the Development Roads as more particularly defined and described in the Covenants.

TO HAVE AND TO HOLD unto Grantee, subject to the matters described above, his heirs and assigns forever.

By acceptance of this Deed, Grantees hereby covenant and agree, for Grantees and Grantees' heirs, assigns, licensees, lessees, employees and agents, that Grantor shall not be liable for, and no action shall be asserted against Grantor for, loss or damage on account of injuries to the Property or to any buildings, improvements, or structures now or hereafter located upon the Property, or on account of past or future injuries to any owner, occupant, or other person in or upon the Property, which are caused by, or arise as a result of soil and/or subsurface conditions, known or unknown (including, without limitation, underground mines, sinkholes, or other geological formations or conditions) under or on the Property or any other property now or hereafter owned by Grantor, whether contiguous or non-contiguous to the Property sold hereunder. For purposes of this paragraph, the term "Grantor" shall mean and refer to (i) Stonegate Farms, LLC; (ii) the members of Stonegate Farms, LLC, both in their capacity as a member and in their separate corporate capacities including, without limitation and as may be applicable, their capacity as the owner or prior owner of any minerals subjacent to Stonegate Farms; (iii) the agents and employees of Stonegate Farms, LLC; (iv) the officers, directors, employees and agents of the members of Stonegate Farms, LLC; (v) any successors and assigns of Stonegate Farms, LLC; and (vi) any successors and assigns of Stonegate Farms LLC's interest in remaining property of Stonegate Farms, LLC. This covenant and agreement shall run with the land conveyed hereby as against Grantees and all persons, firms, trusts, partnerships, limited partnerships, corporations or other entities holding under or through Grantee.

IN WITNESS WHEREOF, Grantor, STONEGATE FARMS, LLC, has caused this conveyance to be executed by its duly authorized President as of the 14th day of April, 2004.

STONEGATE FARMS, LLC an Alabama limited liability company

By: Robert C. McLean

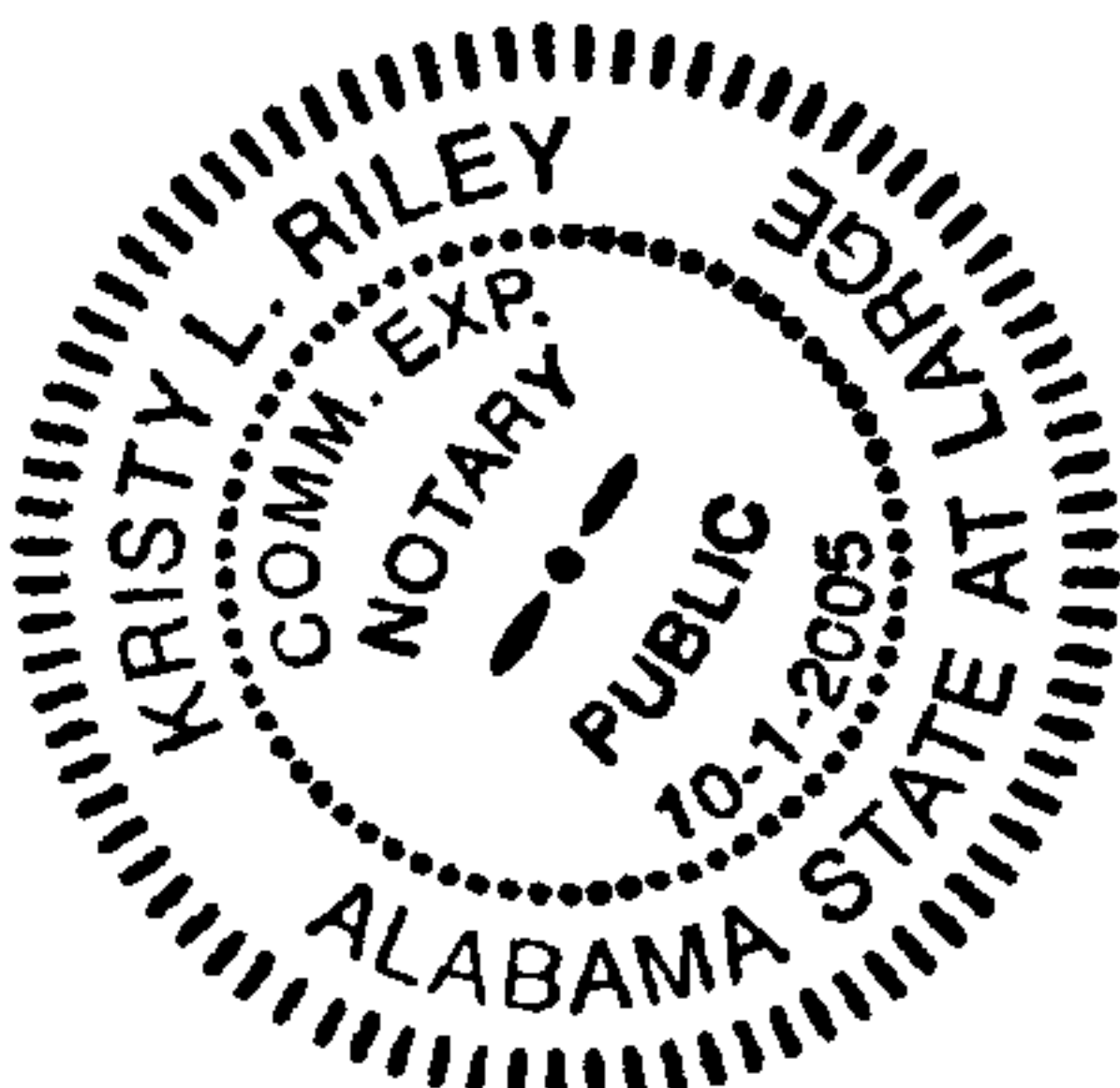
Robert C. McLean

Its: MEMBER

STATE OF ALABAMA
JEFFERSON COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that ROBERT C. MCLEAN, whose name as Member of Stonegate Farms, LLC, an Alabama limited liability company, 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 limited liability company.

Given under my hand and official seal this 14th day of April, 2004.



Kristy L. Riley
Notary Public

My Commission expires: 10-1-05