

11979
SC

(RECORDING INFORMATION ONLY ABOVE THIS LINE)

This Instrument was
prepared by:

R. Shan Paden
PADEN & PADEN
5 Riverchase Ridge, Suite 100
Birmingham, Alabama 35244

SEND TAX NOTICE TO:

DON MORGAN
2037 GROVE PARK WAY
BIRMINGHAM, ALABAMA 35242

STATE OF ALABAMA)

COUNTY OF SHELBY)

WARRANTY DEED

Know All Men by These Presents: That in consideration of ONE HUNDRED SIXTY THOUSAND DOLLARS and 00/100 (\$160,000.00) to the undersigned grantor or grantors in hand paid by the GRANTEES herein, the receipt of which is acknowledged, we, JAMES DRAYTON SMITH and MALLORY S. SMITH, HUSBAND AND WIFE (herein referred to as GRANTORS) do grant, bargain, sell and convey unto DON MORGAN, AN UNMARRIED MAN, (herein referred to as GRANTEES, whether one or more) the following described real estate, situated in SHELBY County, Alabama, to-wit:

Lot 39, according to the Survey of Stonegate Realty, Phase Two, as recorded in Map Book 31, Page 28 A & B, in the Office of the Judge of Probate of Shelby County, Alabama.

SUBJECT TO:

Taxes for the year beginning October 1, 2004 which constitutes a lien but is not due and payable until October 1, 2005.

Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

Rights or claims of parties in possession not shown by the public records.

Easements, or claims of easements, not shown by the public records.

Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.

Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

Any prior reservation or conveyance, together with release of damages of minerals of every kind and character, including, but not limited to gas, oil, sand, limestone and gravel in, on and under subject property.

Power lines running through the property as shown by County Plat.

Taxes due in the year 2004, a lien now due and payable. Taxes due in the year 2005, a lien, not yet due and payable. Subject to any legislative changes.

Less and except any portion of property, which is now part of any roadway, railway, or public utilities, whether by grant or prescription.

Subject to rights of parties in possession of any portion of a tract from adverse possession and /or boundary line discrepancies.

Subject to any public rights to waterways, parks, trails, cemeteries and other uses, whether specifically granted or otherwise.

Subject to rights of others concerning waterways, streams, rivers, riparian or littoral rights appurtenant to the land.

Any paramount rights by the United States of America to keep, regulate and claim all lands lying within the boundary of navigable waterways.

Subject to any rights of others concerning any sub-surface condition and the right of entry from the surface, for the exploration, extraction and mining of any minerals, oils or gases which affect the premises.

Subject to any rights of others concerning mining operations past or future relating to release of damages, to include but not limited to subsidence or subjacent support.

Rights of parties in possession, encroachments, overlaps, overhangs, unrecorded easements, violated restrictive covenants, deficiency in quantity of ground, or any matters, which would be disclosed by an accurate survey and inspection of the premises.

Access for purposes of ingress and egress to and from individual tracts or parcels may be limited or denied. Access for purposes of the final policy is not insured, unless tracts abut public rights of way and access will be limited along those roadways.

Restrictions, conditions, limitations, reservations, easements and release of damages as set forth by deed recorded in Instrument 20030321000173060.

Building set back line and easements as shown by Map Book 31, page 28 and Map Book 29, page 4.

Restrictions, covenants and conditions as set out in instruments recorded in Instrument #2001-5854 as amended and restated in Instrument #2001-12016; Instrument #2001-5954; Instrument #2001-12016 and Instrument #2003-11166, together with Articles of Incorporation of Stonegate Farms Property Owners Association, Inc. recorded in Instrument #2001-5955.

Easements 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 38.

Agreement as set out in Instrument #1993-8112.

Terms, conditions, reservations and restrictions contained in the agreement deed March 19, 1993 by and between "Smyer" and Shelby Lake Corporation as set out by Instrument #1993-8110.

Easement and Use Restrictions Agreement recorded in Instrument #2001-02969.

Option Agreement by and between Ingrid Frances Smyer-Dubose; Harold L. Smyer, Jr. and S.W. Smyer, Jr. (Lake Lot Owners); Ingrid Frances Smyer-Dubose; Harold L. Smyer, Jr., Sidney W. Smyer, III and S.W. Smyer, Jr. (Hollybrook Owners) and Stonegate Farms, L.L.C. recorded in Instrument #2001-02970.

Restrictions, limitations and conditions as set out in Map Book 29, page 4A and 4B and Map Book 31, page 28 A & B.

A 30 foot storm and trail easement as shown on Map Book 29, page 4A and 4B.

Restrictive Covenants and Grant of Land Easement in favor of Alabama Power Company as shown by Instrument #200021119000577440 and Instrument #2002-18715.

Rights of Ways granted to The Water Works and Sewer Board of the City of Birmingham by instrument recorded in Instrument #20020718000335510.

Rights of others to use of lake.

20 feet for storm drainage easement on southwesterly side as shown on unrecorded survey provided to company.

A 60 foot right of way as shown by record plat.

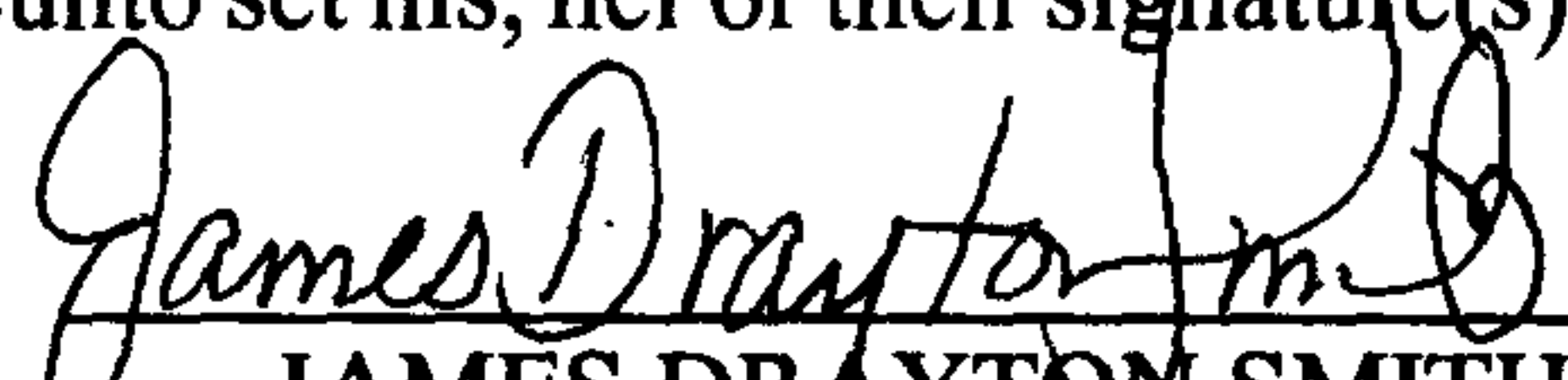
Right of way in favor of Alabama Power Company in Instrument #20040630000358700.

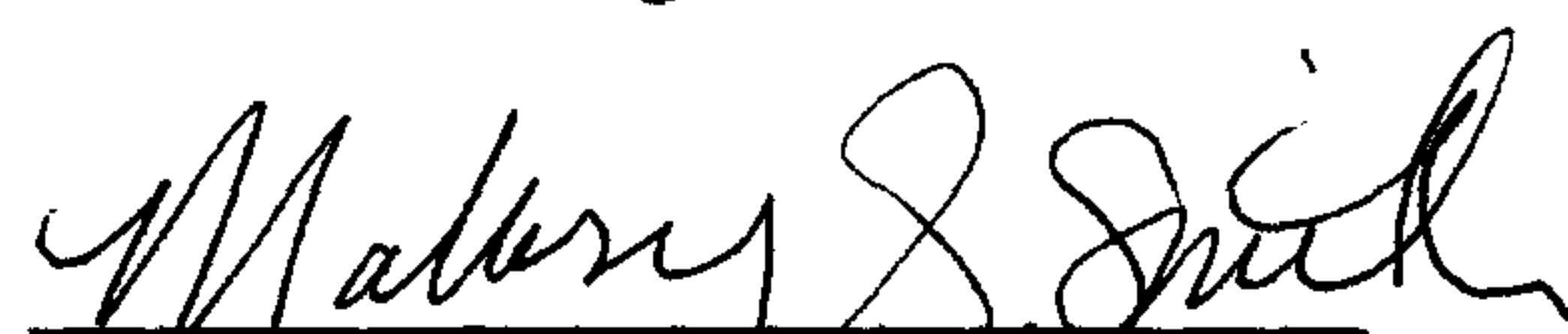
\$144,000.00 of the consideration herein was derived from a mortgage closed simultaneously herewith.

TO HAVE AND TO HOLD Unto the said GRANTEES, his, her or their heirs and assigns, forever.

And I (we) do for myself (ourselves) and for my (our) heirs, executors, and administrators covenant with the said GRANTEES, his, her, or their heirs and assigns, that I am (we are) lawfully seized in fee simple of said premises; that they are free from all encumbrances, unless otherwise noted above; that I (we) have a good right to sell and convey the same as aforesaid; that I (we) will and my (our) heirs, executors and administrators shall warrant and defend the same to the said GRANTEES, his, her, or their heirs and assigns forever, against the lawful claims of all persons.

IN WITNESS WHEREOF, the said GRANTORS, JAMES DRAYTON SMITH and MALLORY S. SMITH, HUSBAND AND WIFE, have hereunto set his, her or their signature(s) and seal(s), this the 14th day of January, 2005.


JAMES DRAYTON SMITH


MALLORY S. SMITH

STATE OF ALABAMA)
COUNTY OF SHELBY)

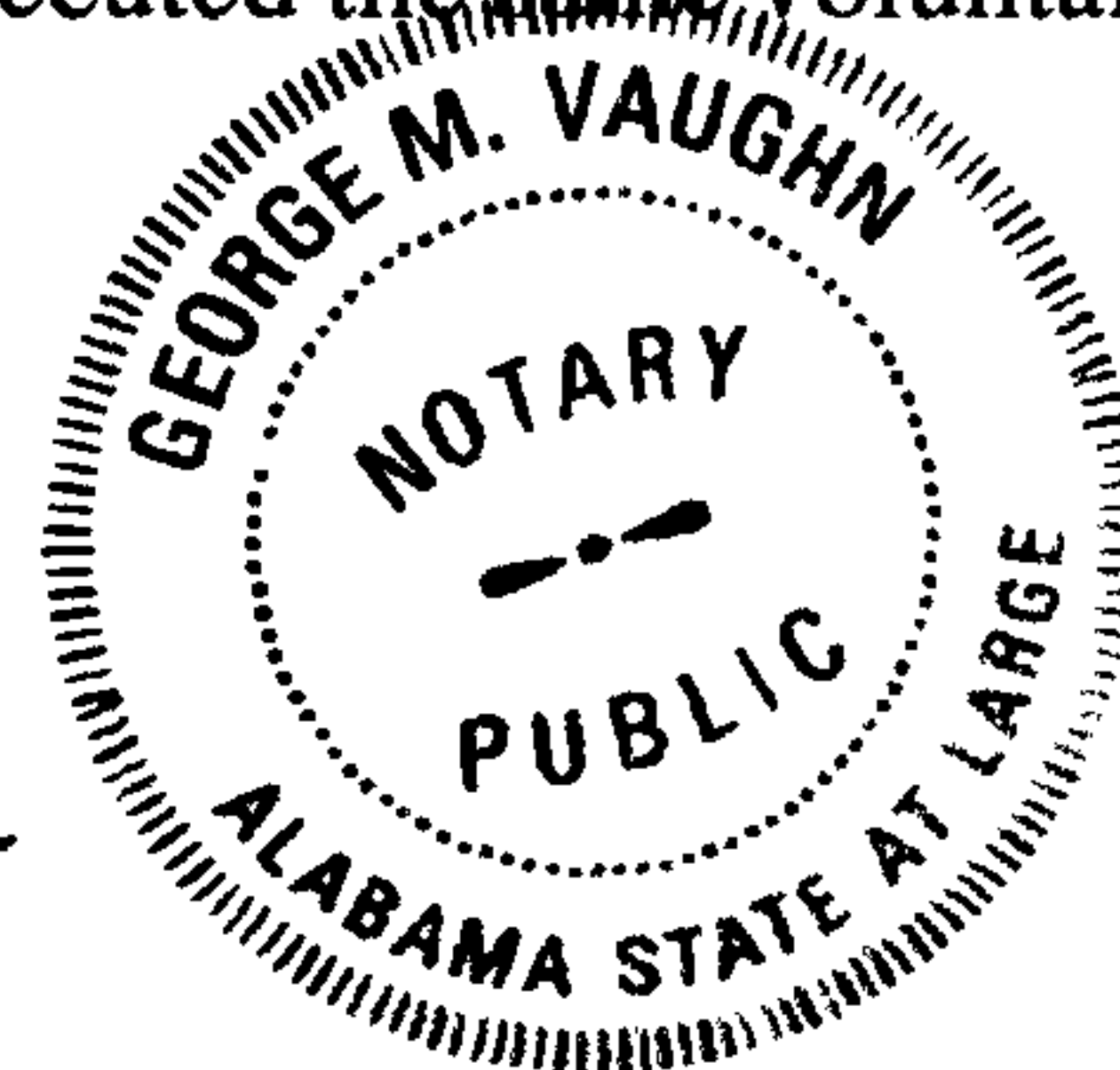
ACKNOWLEDGEMENT

I, the undersigned, a Notary Public, in and for said County, in said State, hereby certify that JAMES DRAYTON SMITH, MALLORY S. SMITH whose name(s) is (are) signed to the foregoing conveyance, and who is (are) known to me, acknowledged before me on this day that, being informed of the contents of the conveyance he, she, or they executed the same voluntarily on the day the same bears date.

Given under my hand this the 14th day of January, 2005.



Notary Public



My commission expires: 9.29.06