20050518000241230 1/4 $21.00
Shelby Cnty Judge of Probate,AL
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This instrument was prepared by:
Clayton T. Sweeney, Esquire

2700 Highway 280 East
Suite 160
Birmingham, Alabama 35223

Send Tax Notice to:
J.E. PATE DEVELOPMENT COMPANY,
INC. 1508 Hardwood Cove Circle
Bham AL 35242

STATE OF ALABAMA)
COUNTY OF SHELBY)

STATUTORY WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that in consideration of FIFTY-EIGHT THOUSAND AND NO/100 Dollars ($58,000.00) to the undersigned grantor, CHELSEA PARK, INC., an Alabama Corporation, in hand paid by Grantee named herein, the receipt of which is hereby acknowledged, the said CHELSEA PARK, INC., an Alabama Corporation, does by these presents, grant, bargain, sell and convey unto **J.E. PATE DEVELOPMENT COMPANY, INC.** (hereinafter referred to as "Grantee", whether one or more), the following described real estate (the "Property"), situated in Shelby County, Alabama, to-wit:

Lot 1-08, according to the Survey of Chelsea Park, First Sector, Phase I and Phase II, as recorded in Map Book 34, Page 21 A & B, in the Probate Office of Shelby County, Alabama.

$ ALL of the consideration was paid from the proceeds of a mortgage loan closed simultaneously herewith.

The above property is conveyed subject to the following ("Permitted Exceptions"):

(a) Ad Valorem taxes due and payable October 1, 2005.

(b) Public utility easements as shown by recorded plat.

(c) Declaration of Easements and Master Protective Covenants for Chelsea Park, a Residential Subdivision, as set out in instrument recorded in Instrument No. 20041014000566950 in Probate Office, along with Articles of Incorporation of Chelsea Park Residential Association, Inc. as recorded in Real 194, Page 281 and By-Laws of Association, Inc. as recorded in Real 194, Page 287 in said Probate Office along with Declaration of Covenants, Conditions and Restrictions for Chelsea Park First Sector, Phase I and Phase II, a Residential Subdivision as recorded in Instrument No. 20041026000590790, in said Probate Office.

(d) Transmission Line Permit(s) to Alabama Power Company as shown by instrument(s) recorded in Deed 112, Page 111, in the Probate Office.

(e) Right of Way(s) granted to Colonial Pipeline by instrument(s) recorded in Deed 283, Page 716 in the Probate Office

(f) Easement to City of Chelsea as shown by instrument recorded in Instrument No. 20040120000033550 in the Probate Office.

(g) All minerals within and underlying the premises not owned by Grantor, including without limitation, the mineral and mining rights and other rights, privileges and immunities relating thereto, set out in Instrument No. 1997-9552, Instrument No. 2000-94450, and corrected in Instrument No. 2001-27341 in said Probate Office.

Compass Bank

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(h) Release(s) of damages as set out in instrument(s) recorded in Instrument No. 20040922000521690 in the Probate Office.

(i) Restrictions, limitations, conditions and other provisions as set out in Map Book 34, Page 21 A & B in the Probate Office.

(j) Easement Agreement as set out in Instrument No. 20040816000457750 in the Probate Office.

(k) Declaration of Restrictive Covenants as set out in Instrument No. 20030815000539670 in the Probate Office.

(l) Conservation Easement and Declaration of Restrictions and Covenants as recorded as Instrument No. 20041228000703990.

(m) Articles of Incorporation of The Chelsea Park Improvemenet District One as recorded in Instrument No. 20041223000699620.

By its acceptance of this deed, Grantee agrees as follows:

1. In the event that Grantee has not commenced construction of a single family residence ("Residence") within six months from the date hereof, Grantor or its assignee shall have the right and option (the **"Purchase Option"**) to purchase the Property at a purchase price equal to the $58,000.00 ("Total Sales Price") by delivery of written notice to 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 Grantee 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 (herein defined). The purchase of the Property pursuant to this option shall be Grantor's sole and exclusive remedy for Grantee's failure to construct a Residence as herein required.

2. (a) Prior to the commencement of construction of the Residence, any transfer of the Property shall be subject to the following:

(i) The Grantee shall give a written notice of any proposed transfer to Grantor.

(ii) Within fourteen (14) days after receipt of the aforesaid notice by the Grantor, Grantor may elect to purchase, or nominate another person to purchase, the Property (the **"Right of First Refusal"**). If the Grantor does not notify the Grantee of Grantor's election to purchase, or to nominate another person to purchase, the Property within fourteen (14) days after the notice of the proposed transfer is received by Grantor, Grantee may accept any offer made by the general public.

(iii) If the Grantor shall elect to purchase or shall nominate another person to purchase the Property, the same shall be purchased by the Grantor or its nominee within 90 days after notice to the Grantee of Grantor's election to purchase or to nominate another person to purchase, at a purchase price equal to the "Total Sales Price" plus any interest which would have otherwise accrued on the amount of such Total Sales Price at the "prime rate" of (or if the "prime rate" is discontinued, the rate announced as that being charged to the most creditworthy commercial borrowers by) Compass Bank, Birmingham, Alabama or its successor as determined on the date Grantee acquired title to the Property.

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(b) In the event Grantee transfers the Property without giving such notice, the provisions of the Right of First Refusal shall be binding on the transferee of the Property (the "Transferee") and Grantor shall have the right to purchase the Property from the Transferee as provided in subparagraph 2(a)(iii) above until either (i) Transferee complies with the provisions of the Right of First Refusal under subparagraph 2(a) above or (ii) the Right of First Refusal terminates as provided in paragraph 3 below. The provisions of this Section shall not apply to a Collateral Transfer, but the Property made the subject of any Collateral Transfer shall at all times be and remain subject to the provisions of this Paragraph with respect to any transfer pursuant to the terms of the Collateral Transfer, such as any sale upon foreclosure of a mortgage.

3. All terms and conditions in paragraph 1 with respect to the Purchase Option and in paragraph 2 with respect to the Right of First Refusal, shall terminate and extinguish upon the earlier of: (i) the construction of the Residence; (ii) the written consent of Grantor; or (iii) two (2) years from the date hereof.

4. Grantee understands and agrees that Grantor has obtained from the Alabama Department of Environmental Management (ADEM) a General Permit for stormwater runoff from construction, excavation, land clearing, other land disturbance activities and associated areas to comply with the terms and conditions of said General Permit in the design and construction of improvements on the Property which shall include, without limitation, the preparation and implementation of a Best Management Practices Plan for structural and non-structural practices to prevent/minimize the discharge of all sources of pollution (i.e., sediment, trash, garbage, debris, oil, grease, chemicals, etc.) to State waters in stormwater run-off in accordance with the requirements of the General Permit.

Grantee shall indemnify and hold Grantor harmless for any loss or damage suffered by the Grantor as a result of Grantee's violation of or failure to comply with the terms, conditions and requirements 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.

5. Grantee hereby covenants and agrees for itself and its successors, assigns, licensees, lessees, employees and agents that Grantor shall be released and discharged from, shall not be liable for, and no action shall be asserted against Grantor for, any and all claims and causes of action wheter arising at law (by contract or tort) or in equity with respect to 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 injuries to any owner, occupant, or other person in or upon the Property, which are caused by, or arise as a result of, past or future soil and/or subsurface conditions, known or unknown, (including, without limitation, sinkholes, underground mines, and limestone formations) under or on the Property or any other property now or hereafter owned by Grantor, whether contiguous or non-contiguous to the Property. Further, the Grantee, for itself and its successors and assigns hereby acknowledges and agrees 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) Chelsea Park, Inc.; (ii) its officers, directors, employees and agents of Chelsea Park, Inc.; and (iii) any successors or assigns of Chelsea Park, Inc.. 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 Grantees, its heirs and assigns, forever

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IN WITNESS WHEREOF, the said Grantor has hereunto set its hand by its duly authorized officer this 6th day of May, 2005

GRANTOR:
CHELSEA PARK, INC.
an Alabama Corporation

By: _____
Douglas D. Eddleman,
Its President

CHELSEA PARK - FIRST SECTOR
LOT 1-08 - J.E. PATE DEVELOPMENT COMPANY, 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 CHELSEA PARK, Inc., an Alabama Corporation, 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.

Given under my hand and official seal of office this the 6th day of May, 2005.

_____
NOTARY PUBLIC
My Commission expires: 6-5-2007

The Grantee executes this deed only to acknowledges and accepts all covenants and restrictions contained hereinabove and Grantee, its successors and assigns, agrees and understands that the property conveyed herein is subject to the foregoing covenants and restrictions.

J.E. PATE DEVELOPMENT COMPANY, INC.

By: _____
Jackie E. Pate, President

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Jackie E. Pate, whose name as President of J.E. PATE DEVELOPMENT COMPANY, INC., whose name 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/she, as such officer and with full authority, executed the same voluntarily and as the act of said corporation.

Given under my hand and official seal this 6th day of May, 2005.

_____
NOTARY PUBLIC

My Commission expires: 6-5-2007