

STATE OF ALABAMA     )  
  :  
COUNTY OF SHELBY     )

  
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Shelby Cnty Judge of Probate, AL  
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**ACKNOWLEDGMENT OF TURNOVER**

THIS ACKNOWLEDGMENT OF TURNOVER (this “Acknowledgment”) is made and entered into as of the 6th day of July, 2009 (the “Effective Date”) by and between STONEGATE FARMS, LLC, an Alabama limited liability company (“Developer), and STONEGATE FARMS PROPERTY OWNERS’ ASSOCIATION, INC., an Alabama nonprofit corporation (the “Association”).

**RECITALS:**

Developer is the “Developer” under the Stonegate Farms Amended and Restated Covenants, Conditions and Restrictions, dated as of February 21, 2001, and recorded as Instrument No. 2001-12016 on April 2, 2001, in the Office of the Judge of Probate of Shelby County, Alabama (the “Probate Office”) (the “Covenants”). *Capitalized terms not otherwise expressly defined herein shall have the same meanings given to them in the Covenants.*

Pursuant to the Statutory Warranty Deed dated as of February 2, 2007, and recorded as Instrument No. 2007-221000078430, on February 21, 2007, in the Probate Office (the “Common Areas Deed”), and subject to the terms set forth therein, Developer has conveyed all of its right, title and interest in and to all Common Areas to the Association.

Developer desires to acknowledge that it is relinquishing its exclusive right to appoint and remove members of the Board of Directors of the Association and all officers of the Association, its exclusive right previously reserved by Developer to exercise all voting rights under the Covenants and under the Articles of Incorporation and the Bylaws of the Association, and certain other rights heretofore reserved unto Developer under the Covenants.

Developer also desires to acknowledge that it is retaining certain of the other rights reserved to Developer under the Covenants, including, without limitation, its rights to add Additional Property to the terms and provisions of the Covenants.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer and the Association do hereby agree as follows:

1.     **Relinquishment of Control and Certain Other Rights.**

(a)     On and as of the Effective Date, Developer does hereby relinquish and release all rights reserved by Developer to appoint and remove the members of the Board of Directors of the Association and the officers of the Association as established in Sections 4.02

and 12.01 of the Covenants, Sections 6 and 7 of the Articles of Incorporation of the Association and Sections 2.01 and 3.03(a) of the Bylaws of the Association. From and after the Effective Date, the members of the Board of Directors of the Association shall be elected (and shall be subject to removal) by the Owners pursuant to the terms and provisions of Section 3.03(b) of the Bylaws, subject to the provisions of Section 3.10 of the Bylaws with respect to the filling of vacancies on the Board.

(b) On and as of the Effective Date, Developer does further relinquish and release all rights reserved by Developer to exercise all voting rights reserved to Developer for so long as Developer owns any Lot or Dwelling within the Development as established in Sections 4.03 and 10.02 of the Covenants, Section 6 of the Articles of Incorporation and Section 2.01 of the Bylaws. From and after the Effective Date, each Owner (including Developer, to the extent Developer is the Owner of any Lot or Dwelling) shall have the right to exercise all voting rights of the Owners as set forth in the Covenants, the Articles of Incorporation and the Bylaws, subject to all applicable provisions of the Covenants, including, without limitation, the provisions of Sections 10.03 and 10.04.

(c) On and as of the Effective Date, Developer does further relinquish and release all rights reserved by Developer pursuant to Section 5.02 of the Covenants to appoint and remove the members of the ARC. From and after the Effective Date, all members of the ARC shall be appointed and subject to removal by the Association, in accordance with the provisions of Section 5.02 of the Covenants.

(d) On and as of the Effective Date, Developer does further relinquish and release all rights, including consent and approval rights, if any, of Developer set forth in Sections 2.03 and 4.06 of the Covenants.

2. **Assignment of Certain Rights to Association.**

(a) In addition to the foregoing, on and as of the Effective Date, Developer does hereby assign to the Association, all of its rights under Section 2.05 of the Covenants, other than its right to make improvements and changes to all Lots or Dwellings owned by Developer from time to time.

(b) On and as of the Effective Date, Developer does hereby assign to the Association all of Developer's rights under Section 3.03(b) to install security devices, under Section 3.03(c), including its rights to dedicate any of the Development Roads as public roads in accordance with such section, and under Sections 6.35(h) and (i) of the Covenants.

3. **No Implied Waiver; Reservation of Remaining Rights and Powers.** Nothing contained in this Acknowledgment shall be deemed to constitute a waiver or release of any rights or powers of Developer under the Covenants except as expressly set forth herein. In furtherance, and not in limitation, of the foregoing, except as expressly set forth in Sections 1 and 2 of this Acknowledgment, Developer does hereby expressly reserve and retain, for itself and its successors and assigns, all other rights, easements and benefits set forth in the Covenants, including, without limitation, all rights in, to and under Sections 2.02, 2.05 (with respect to Lots

owned from time to time by Developer), 2.06, 8.05, 10.03 and 10.04 of the Covenants, which rights shall continue in full force and effect and may be exercised from time to time and at any time by Developer, until such time as Developer no longer owns any Lot or Dwelling in the Development.

4. **Acknowledgments by Association.**

(a) The Association acknowledges and agrees that (i) Developer has relinquished and released the rights described in Sections 1 and 2 above, (ii) Developer shall no longer have any right to appoint or remove members of the Board of Directors of the Association or any of the officers of the Association or to otherwise exercise the exclusive voting rights heretofore reserved into Developer in the Covenants, the Articles of Incorporation and the Bylaws (except to the extent Developer constitutes an Owner of any Lot or Dwelling within the Development at any time after the date hereof), (iii) Developer has no further obligation to fund or pay to or for the benefit of the Association or the Development any further amounts or sums of any nature other than (A) Assessments imposed in accordance with the Covenants which may be due and owing by Developer after the Effective Date as a result of Developer's ownership of any Lots or Dwellings in the Development and (B) Developer's payment obligations under that certain Agreement Regarding Development Roads, dated as of December 4, 2008, between Developer and the Association (the "Roads Agreement"), and (iv) Developer is retaining its other rights under the Covenants, including its rights to add Additional Property to the Covenants.

(b) In addition to the foregoing, in consideration of (i) the Developer's agreements contained herein and (ii) the conveyance of the Common Areas to the Association pursuant to the Common Areas Deed, the Association does hereby accept and assume all of the rights and obligations assigned to it pursuant to Section 2 of this Acknowledgment and does hereby further covenant and agree that, from and after the Effective Date, the Association shall, at its sole cost and expense, fully and completely perform all of the obligations of the Developer (other than those arising under the Roads Agreement) and the Association under the Covenants with respect to the Development and under any and all statutes, code provisions, rules, regulations or requirements of law applicable to the Development (collectively, "Applicable Laws"), including, without limitation, all obligations of the Association to maintain the Common Areas in good condition and repair as and to the extent required by the Covenants and Applicable Laws. The Association, by its execution of this Acknowledgment, does hereby indemnify, defend and agree to hold Developer harmless from and against any and all actions, causes of action, liabilities, losses, claims, demands, costs and expenses, including reasonable attorneys' fees, suffered, paid or incurred by Developer as a result of the breach by the Association of its covenants contained in this Section 5(b).

5. **Amendment.** This Acknowledgment may not be modified or amended except by a written instrument executed by both Developer and the Association.

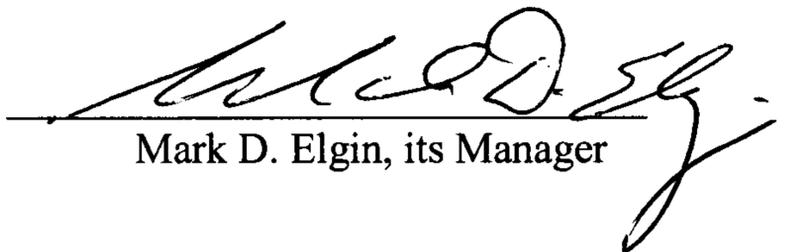
[Signatures Appear on Following Pages]

IN WITNESS WHEREOF, the parties hereto have executed this Acknowledgment as of the day and year first above written.

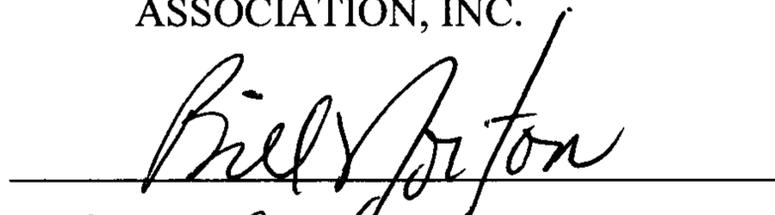
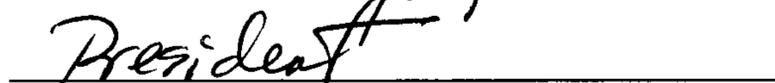
STONEGATE FARMS, LLC,  
an Alabama limited liability company

By: Stonegate Projects (Alabama), LLC,  
an Alabama limited liability company  
Its: Manager

By: Stonegate Realty Company, LLC,  
an Oklahoma limited liability  
company  
Its: Manager

By:   
Mark D. Elgin, its Manager

STONEGATE FARMS PROPERTY OWNERS'  
ASSOCIATION, INC.

By:   
Its:   
President



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STATE OF ALABAMA )  
SHELBY COUNTY )

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that Mark D. Elgin, whose name as Manager of Stonegate Realty Company, L.L.C., an Oklahoma limited liability company, as Manager of Stonegate Projects (Alabama), LLC, an Alabama limited liability company, as Manager of Stonegate Farms, LLC, an Alabama limited liability company (the "Company"), is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such manager and with full authority, executed the same voluntarily for and as the act of the Company.

Given under my hand and official seal this the 14<sup>th</sup> day of July, 2009.

[Signature]  
Notary Public

My Commission Expires: Sept 16, 2009  
NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
BODED THRU NOTARY PUBLIC UNDERWRITERS

[NOTARIAL SEAL]

STATE OF ALABAMA )  
SHELBY COUNTY )

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that Bill Norton, whose name as President Stonegate Farms Property Owners' Association, Inc., an Alabama nonprofit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of such corporation.

Given under my hand and official seal this the 6<sup>th</sup> day of July, 2009.

[Signature]  
Notary Public

My Commission Expires: \_\_\_\_\_

NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: Sept 16, 2009  
BODED THRU NOTARY PUBLIC UNDERWRITERS

[NOTARIAL SEAL]

This instrument prepared by and upon recording should be returned to:

Virginia C. Patterson, Esq.  
Bradley Arant Rose & White LLP  
One Federal Place  
1819 Fifth Avenue North  
Birmingham, Alabama 35203