

STATE OF ALABAMA
COUNTY OF SHELBY

MUTUAL RELEASE AGREEMENT

WHEREAS, Reamer Development Corporation (hereinafter "Reamer") and Kessler And Associates, Inc. (hereinafter "Kessler") entered into an Agreement dated September 21, 1995 wherein Reamer agreed to Purchase and Kessler agreed to sell "...certain real properties described hereinafter located in Shelby County, Alabama, said properties consisting of 12 recorded townhome lots, 16 unrecorded townhome lots and an undeveloped parcel of land suitable for the development of garden homes" (hereinafter "Sale Agreement"; and

WHEREAS, Reamer has paid \$10,000.00 in earnest money for aforesaid Sale Agreement the receipt of which is hereby acknowledged by Kessler; and

WHEREAS, Reamer and Kessler entered into an Agreement dated August 14, 1994, wherein Reamer agreed to list all properties developed in Bent River Commons subdivision with Kessler and Kessler agreed to provide all marketing of said subdivision (hereinafter "Listing Agreement", said Listing Agreement providing, inter alia, for the payment to Kessler of \$2,000.00 for each unimproved lot sold by Reamer or others; and

WHEREAS, Reamer and KADCO, Inc. (hereinafter "KADCO") on January 26, 1994, formed and did operate an Alabama Limited Liability Company known as R & K, L.L.C. (hereinafter "R & K") for the purpose of developing Bent River Garden Home Subdivision, such subdivision now completed; then

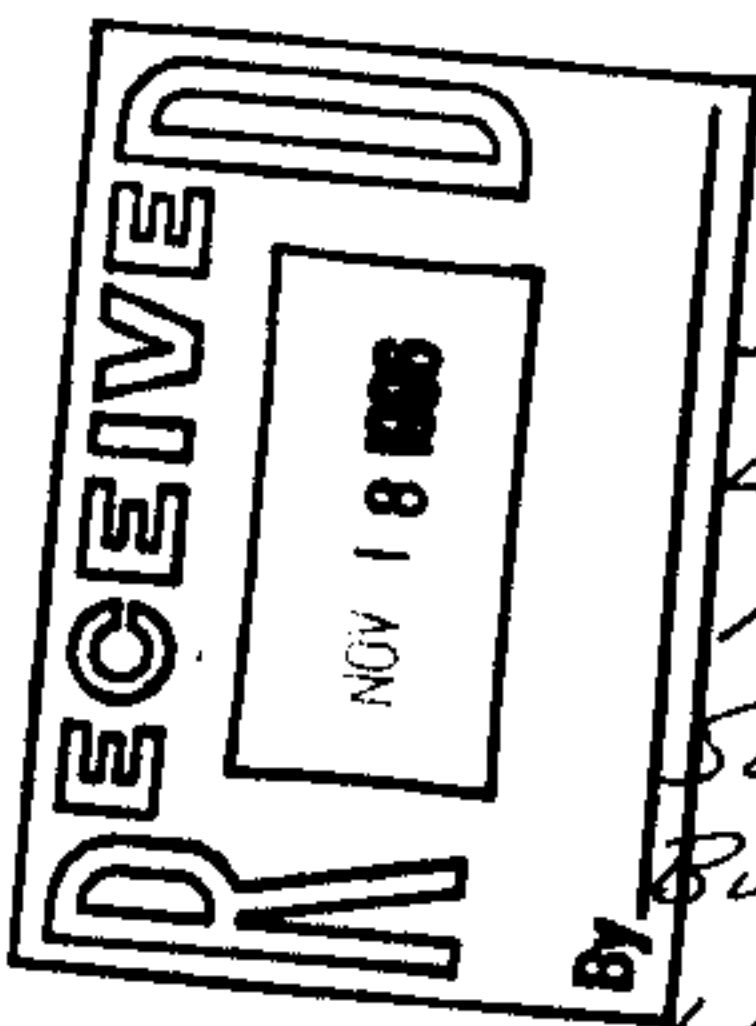
THEREFORE, in consideration of the mutual covenants contained hereinafter, IT IS AGREED AS FOLLOWS:

1. Reamer hereby releases Kessler from any and all obligations under the Sales Agreement described hereinabove, a copy of which is attached hereto as Exhibit "A" for the purpose of identification and, Kessler hereby returns to Reamer the \$10,000.00 earnest money paid to Kessler for the Sales Agreement.

2. In consideration for \$5,000.00 in hand paid by Reamer to Kessler, the receipt of which is hereby acknowledged by Kessler, Kessler hereby releases Reamer from the Listing Agreement described hereinabove, a copy of which is attached hereto as Exhibit "B" for the purpose of identification, however, Reamer agrees to pay Kessler \$2,000.00 for each lot sold in Bent River Commons as follows:

- (a) As a plat is recorded Reamer shall give to Kessler a non-interest bearing Note in the amount of the total number of lots in the plat multiplied by \$2,000.00. Said Note to be secured by a Mortgage on a certain number of individual lots in the plat to be determined by multiplying the total number of

SAID MORTGAGE AGAINST LOTS WILL
EITHER BE A 1ST MORTGAGE FOR NO
MORE THAN \$15,000⁰⁰ PER LOT OR
SECOND ONLY TO A DEVELOPMENT LOAN
BY REAMER DEV. BANK FOR THE
IMPROVEMENTS TO THE PROPERTY.
IN NO EVENT SHALL BOTH 1ST
AND SECOND MORTGAGE EXCEED
\$15,000⁰⁰ PER LOT OR OR 50%
OF BANKS APPRAISAL WHICHEVER IS LESS.



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- lots in the plat by \$2,000.00 ~~and then dividing that amount by the per lot market price rounded up to the next whole number.~~ Reamer shall determine the lots to be mortgaged.
- (b) As each lot is sold Reamer shall pay to Kessler \$2,000.00 against the total owed.
 - (c) As the accumulated amount paid to Kessler equals or exceeds the per lot market price of a mortgaged lot, Kessler will issue a partial release for a lot to be selected by Reamer.
 - (d) Reamer shall have the right to pay in full any outstanding Note at any time without penalty, and when so paid, Kessler shall issue a full release of all mortgaged lots.
 - (e) In the event a purchaser desires to purchase one of the mortgaged lots, Kessler agrees to accomodate Reamer by releasing the mortgaged lot and accepting a mortgage on some other lot identified by Reamer.

3. KADCO hereby agrees to expedite a winding up of the activities of R & K and make a final accounting of the same, and Reamer and KADCO agree to dissolve R & K within thirty (30) days of the execution of this agreement.

4. Kessler and Reamer agree to equally divide the fee of Beals & Associates, P.C. for the preparation of this Agreement, such amount not to exceed \$400.00.

Attest:

[Signature]
Secretary

Attest:

[Signature]
Secretary

Attest:

[Signature]
Secretary

[Signature]
Witness

REAMER DEVELOPMENT CORPORATION

By: [Signature]
John G. Reamer, Jr., President

KESSLER & ASSOCIATES, INC.

By: [Signature] 9/4/96
Charles G. Kessler, Jr., President

KADCO, INC.

By: [Signature] 9/4/96
Charles G. Kessler, Jr., President

[Signature]
Witness

JR

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