

SUBORDINATION AGREEMENT

THIS AGREEMENT is effective as of Dec 16, 1991 (hereinafter the "Agreement") and is by and among AMSOUTH BANK N.A. (hereinafter "Bank") and ALABAMA COMMUNITY DEVELOPMENT CORPORATION, and its successors and assigns, including but not limited to the U.S. Small Business Administration (hereinafter "ACDC").

WHEREAS, JOHN L. DAVIS, JR., DONALD S. DAVIS, and A & R SUPER MARKETS, INC. (hereinafter "Debtor") is currently indebted to Bank, and such indebtedness is secured in part by a mortgage, dated September 25, 1991 and recorded at Book 366 at page 238 et seq. in the Office of the Judge of Probate of Shelby County, Alabama (hereinafter, along with any UCC Financing Statements from Debtor to Bank and recorded in the such Probate Office, referred to as "Bank Mortgage") of and concerning the following described property, along with all buildings, appurtenances, tenements, structures, and fixtures located thereon or in anywise appertaining (hereinafter "Property"), to wit:

Lot 9, in Block 201, as shown on J.H. Dunstan's Map of the Town of Calera, Alabama; being situated in Shelby County, Alabama

WHEREAS, the Bank Mortgage originally was given by Debtor to Bank to secure the payment of a promissory note dated September 25, 1991, in the maximum principal amount of \$1,000,000.00 (hereinafter "Initial Bank Note").

WHEREAS, the obligations due under the Initial Bank Note are being refinanced and renewed by Bank and will be evidenced by several renewal promissory notes, including but not limited to a Note for Business and Commercial Loans, dated this date, in the amount of \$370,000.00 and executed by Debtor (hereinafter along with all renewals thereof, the "Bank's First Renewal Note"), a Note for Business and Commercial Loans, dated this date, in the amount of \$137,108.00 and executed by Debtor (hereinafter along with all renewals thereof, the "Bank's Second Renewal Note"), and a Note for Business and Commercial Loans, dated this date, in the amount of \$135,892.00 and executed by Debtor (hereinafter along with all renewals thereof, the "Bank's Third Renewal Note"),

WHEREAS, Debtor is currently indebted to ACDC. Such indebtedness is evidenced by a promissory note (hereinafter "ACDC Note") dated this date from Debtor to ACDC. ACDC will assign and delivered the ACDC Note to the U.S. Small Business Administration. The ACDC Note is secured in part by a mortgage of and concerning the Property (hereinafter "ACDC Mortgage"). The

Engel, Houston

ACDC Mortgage is dated this date, is from Debtor to ACDC, and is recorded contemporaneously herewith.

WHEREAS Bank has agreed to enter into this agreement if Debtor instructs and directs ACDC to deliver \$425,687.00 (the proceeds of the ACDC Note) to Bank as partial payment of certain obligations of Debtor to Bank (other than the obligations to Bank evidenced by the Bank's First Renewal Note, the Bank's Second Renewal Note, and the Bank's Third Renewal Note).

NOW THEREFORE in consideration of the foregoing, of Bank receiving \$425,687.00 from Debtor and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Lien Priority: From and after the date hereof: (a) the Bank Mortgage as security for the obligations evidenced by the Bank's First Renewal Note and the Bank's Second Renewal Note shall have priority over the ACDC Mortgage; (b) the ACDC Mortgage shall be and at all times remain, subject, inferior, and subordinate to the Bank Mortgage as security for the obligations evidenced by the Bank's First Renewal Note and the Bank's Second Renewal Note; (c) the ACDC Mortgage shall have priority over the Bank's Mortgage serving as security for the obligations evidenced by the Bank's Third Renewal Note; and (d) the Bank's Mortgage when it is serving as security for the obligations evidenced by the Bank's Third Renewal Note shall be and remain subject, inferior, and subordinate to the ACDC Mortgage.

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The priorities of the mortgages established, altered, or specified hereinabove shall be applicable, irrespective of the time or order of attachment, perfection, or recordation thereof, the method of perfection, the time or order of filing of mortgages or taking of possession, or the giving of or failure to give notice; provided, however, that the subordinations and relative priorities set forth herein are expressly conditioned upon the due and proper perfection, recordation, and the nonavoidability by a bankruptcy trustee, of any mortgage interest which have been accorded priority pursuant hereto; and provided, further, however, that if any mortgage interest to which any other interest has been subordinated pursuant hereto is not now perfected or recorded, or hereafter ceases to be perfected or recorded, or is avoidable by a bankruptcy trustee for any reason, then, the subordination specified herein with respect to such interests shall, to the extent not perfected, recorded, or avoidable, as the case may be, not be effective.

The relative priorities of any interests which are not established, altered, or specified herein shall exist and continue in accordance with the applicable provisions of law.

2. Contesting Liens or Security Interest: Neither Bank nor ACDC shall contest the validity, perfection, priority or enforceability of any lien or mortgage granted to the other. Bank and ACDC hereby agrees to cooperate in the defense of any action contesting the validity, perfection, priority or enforceability of such liens or mortgage.

3. Additional Loans or Advances: Bank or ACDC at any time and from time to time, may enter into such agreement or agreements with Debtor as it may deem proper, extending the time of payment of, or renewing or otherwise altering the terms of all or any of the Debtor's obligations or debts to Bank and/or ACDC or affecting the security or property underlying any or all of such obligations or debt, or may exchange, sell, release, surrender or otherwise deal with any such security or property, without in any way impairing or affecting this agreement thereby.

4. Credit Investigations: Neither Bank nor ACDC, nor any of their respective directors, officers, agents or employees shall be responsible to the other or to any other person, firm or corporation, for Debtor's solvency, financial condition or ability to repay the Debtor's obligations to Bank or ACDC, or for any statements of Debtor, oral or written, or for the validity, sufficiency or enforceability of the Debtor's obligations to Bank or ACDC, or any liens or security interest granted by Debtor to Bank or ACDC in connection therewith. Bank and ACDC have each entered into their respective financing agreement with Debtor based upon their own independent investigation and make no warranty or representation to the other nor do they rely upon any representation of the other with respect to matters identified or referred to in this paragraph. Neither Bank nor ACDC nor any of their respective directors, officers, agents or employees shall be responsible to the other or to any other person, firm or corporation for the furnishing or sharing of any statements of, or credit, financial or other materials or data receive from Debtor.

5. Duration: This Agreement shall remain in full force and effect until (i) all obligations of Debtor to Bank on the one hand, or ACDC, on the other hand, have been paid and satisfied in full and Bank, on the one hand, or ACDC on the other hand, have terminated and satisfied their mortgages with Debtor or (ii) upon the mutual agreement in writing of all parties hereto, whichever is the first to occur.

6. Notice upon Foreclosure or Default: In the event of a default in Debtor's obligations to Bank or the Bank Mortgage, then Bank will endeavor to give to ACDC, notice of such default within thirty (30) days from such default having occurred, if same has not been cured by the Debtor during such period. In the event Bank elects to foreclose either the Bank Mortgage, then

Bank shall give to ACDC notice of such foreclosure sale sixty (60) days prior to its occurrence.

7. Choice of Law: This Agreement shall be construed and enforced in accordance with the laws of the State of Alabama.

8. Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS THEREOF, Bank and ACDC have executed this Agreement effective as of the date first above written.

BANK:

AMSOUTH BANK N.A.

By: Jack Naramore
Jack Naramore (Its Vice President)

ACDC

ALABAMA COMMUNITY DEVELOPMENT CORPORATION

By: Diane Roehrig
Diane Roehrig (Its President)

DEBTOR'S ACCEPTANCE

Debtor hereby acknowledges receipt of, notice of, consents to, and agrees to be bound by the terms and provisions of the within and foregoing Subordination Agreement as they relate to the relative rights and priorities of Bank and ACDC; provided, however, that nothing in the foregoing Subordination Agreement shall amend, modify, change or supersede the respective terms of the documentation and agreements between Debtor and Bank, or ACDC.

DEBTOR:

Donald S. Davis
Donald S. Davis (individually)

John L. Davis, Jr
John L. Davis, Jr (individually)

A & R SUPER MARKETS, INC.

By: Donald S. Davis
Donald S. Davis (Its President)

Attest: John L. Davis Jr.
John L. Davis Jr. (Its Secretary)

[ACKNOWLEDGEMENTS ON NEXT PAGE]

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

ACKNOWLEDGMENT OF BANK

I, the undersigned Notary Public in and for said County in said State, hereby certify that Jack Naramore, whose name as Vice President of ANSOUTH BANK N.A. 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 the instrument, she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 16 day of December, 1991.


Notary Public

My Commission Expires: 6/7/95

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

ACKNOWLEDGEMENT OF ACDC

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Diane Roehrig whose name as President of ALABAMA COMMUNITY DEVELOPMENT CORPORATION, a 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 the instrument, she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 16 day of December, 1991.


Notary Public

My Commission Expires: 6/7/95

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

ACKNOWLEDGMENTS OF DEBTOR

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that DONALD S. DAVIS and JOHN L. DAVIS, JR., whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of this instrument, they

executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this the 16 day of _____, 1991.

William B. Hairston III
NOTARY PUBLIC

My Commission Expires: 6/7/95

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Donald S. Davis whose name as President of A & R SUPER MARKET, INC., a 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 the instrument, 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 seal of office this 16 day of December, 1991.

William B. Hairston III
Notary Public

My Commission Expires: 6/7/95

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THIS INSTRUMENT PREPARED BY AND AFTER
RECORDATION SHOULD BE RETURNED TO
William B. Hairston III
Engel Hairston and Johanson P.C.
P.O. Box 370027
Birmingham, Alabama 35237
(205) 328-4600

1. Deed Tax	\$	_____
2. Mtg. Tax	\$	_____
3. Recording Fee	\$	15.00
4. Indexing Fee	\$	4.00
5. No Tax Fee	\$	_____
6. Certified Fee	\$	1.00
Total	\$	20.00

ALL FEES ALREADY PAID
I CERTIFY THIS
INSTRUMENT WAS FILED

91 DEC 18 AM 9:51

JUDGE OF PROBATE