

STATE OF ALABAMA — UNIFORM COMMERCIAL CODE — FINANCING STATEMENT  
FORM UCC-1 ALA.

<input type="checkbox"/> The Debtor is a transmitting utility as defined in ALA CODE 7-9-105(n)		No. of Additional Sheets Presented: <b>3</b>	This FINANCING STATEMENT is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code.																																										
1. Return copy or recorded original to:			<div style="text-align: center;">THIS SPACE FOR USE OF FILING OFFICER Date, Time, Number &amp; Filing Office</div> <div style="text-align: center; font-size: 1.2em;">Inst # 1999-38727</div> <div style="text-align: center; font-size: 1.2em;">09/16/1999-38727</div> <div style="text-align: center; font-size: 1.2em;">10:19 AM CERTIFIED</div> <div style="text-align: center; font-size: 1.2em;">SHELBY COUNTY JUDGE OF PROBATE</div> <div style="text-align: center; font-size: 1.2em;">004 CJ1 18.00</div>																																										
Pre-paid Acct. # _____																																													
2. Name and Address of Debtor (Last Name First if a Person) <b>Delchamps, Inc.</b> <b>1770 Ellis Avenue</b> <b>Suite 200</b> <b>Jackson, MS 39204</b>																																													
Social Security/Tax ID # _____																																													
2A. Name and Address of Debtor (IF ANY) (Last Name First if a Person)																																													
Social Security/Tax ID # _____																																													
<input type="checkbox"/> Additional debtors on attached <b>NOPE</b>			FILED WITH: <b>Shelby</b>																																										
3. NAME AND ADDRESS OF SECURED PARTY (Last Name First if a Person) <b>Silver Oak Capital, L.L.C., as agent</b> <b>c/o Angelo Gordon &amp; Co.</b> <b>245 Park Avenue</b> <b>New York, NY 10167</b>			4. ASSIGNEE OF SECURED PARTY (IF ANY) (Last Name First if a Person)																																										
Social Security/Tax ID # _____																																													
<input type="checkbox"/> Additional secured parties on attached <b>NOPE</b>																																													
5. The Financing Statement Covers the Following Types (or items) of Property: <b>All present, and future accounts, inventory, contract rights, letters of credit, chattel paper, instruments, documents, general intangibles, equipment, fixtures, deposits, investment property, books and records related to the foregoing and all proceeds and products thereof, all as more fully set forth on Schedule A attached hereto and made a part hereof.</b>																																													
5A. Enter Code(s) From Back of Form That Best Describes The Collateral Covered By This Filing: <table style="width:100%"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>1</td></tr><tr><td>2</td><td>0</td><td>0</td><td>3</td><td>0</td><td>0</td></tr><tr><td>6</td><td>0</td><td>0</td><td>8</td><td>0</td><td>0</td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>				0	0	0	0	0	1	2	0	0	3	0	0	6	0	0	8	0	0																								
0	0	0	0	0	1																																								
2	0	0	3	0	0																																								
6	0	0	8	0	0																																								
Check X if covered: <input type="checkbox"/> Products of Collateral are also covered.																																													
6. This statement is filed without the debtor's signature to perfect a security interest in collateral (check X, if so) <input type="checkbox"/> already subject to a security interest in another jurisdiction when it was brought into this state. <input type="checkbox"/> already subject to a security interest in another jurisdiction when debtor's location changed to this state. <input type="checkbox"/> which is proceeds of the original collateral described above in which a security interest is perfected. <input type="checkbox"/> acquired after a change of name, identity or corporate structure of debtor <input type="checkbox"/> as to which the filing has lapsed.																																													
7. Complete only when filing with the Judge of Probate: The initial indebtedness secured by this financing statement is <b>\$50,000,000.00</b> Mortgage tax due (15¢ per \$100.00 or fraction thereof) \$ _____																																													
8. <input type="checkbox"/> This financing statement covers timber to be cut, crops, or fixtures and is to be cross indexed in the real estate mortgage records (Describe real estate and if debtor does not have an interest of record, give name of record owner in Box 5)																																													
Signature(s) of Secured Party(ies) (Required only if filed without debtor's Signature — see Box 6)																																													
<b>Silver Oak Capital, L.L.C., as agent</b>																																													
Signature(s) of Secured Party(ies) or Assignee <b>James Malley, Authorized Signatory</b>																																													
Signature(s) of Debtor(s) <b>R. Barry Cannada, Chief Admin. Officer/Exec. V.P.</b>																																													

Schedule A  
to Financing Statement  
by Silver Oak Capital, L.L.C., as Agent (in such capacity, the "Agent") against  
Delchamps, Inc. (the "Debtor")

1. Identification of Secured Party.

Silver Oak Capital, L.L.C., as Agent (in such capacity, the "Agent") under the Term Loan Agreement, dated as of July 26, 1999 (as amended, modified or supplemented from time to time in accordance with its terms, the "Term Loan Agreement"), among Debtor, certain affiliates of Debtor, the lenders party thereto (the "Lenders"), the guarantors party thereto and the Agent.

2. Description of Property covered by Financing Statement.

As used herein, the term "Collateral" shall mean (i) all Accounts Receivable, (ii) all Documents, (iii) all Equipment, (iv) all General Intangibles, (v) all Inventory, (vi) all of the Debtor's deposit accounts (as such term is defined in the UCC) and (vii) all Proceeds.

(1) "Accounts Receivable" shall mean (i) all of the Debtor's present and future accounts, general intangibles, chattel paper and instruments, as such terms are defined in the UCC, (ii) all moneys, securities and other property and the proceeds thereof, now or hereafter held or received by, or in transit to, the Agent from or for the Debtor, whether for safekeeping, pledge, custody, transmission, collection or otherwise, and all of the deposits (general or special) of the Debtor, balances, sums and credits with, and all of the Debtor's claims against the Agent at any time existing, (iii) all of the Debtor's right, title and interest, and all of the Debtor's rights, remedies, security and Liens, in, to and in respect of any accounts receivable, including, without limitation, rights of stoppage in transit, replevin, repossession and reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, guaranties or other contracts of suretyship with respect to accounts receivable, deposits or other security for the obligation of any account debtor, and credit and other insurance, and (iv) all of the Debtor's rights, title and interest in, to and in respect of all goods relating to, or which by sale have resulted in, accounts receivable, including, without limitation, all goods described in invoice or other documents or instruments with respect to, or otherwise representing or evidencing, any account receivable, and all returned, reclaimed or repossessed goods.

(2) "Documents" shall mean all instruments, files, books, records, ledger sheets and documents covering or relating to any of the Collateral.

(3) "Equipment" shall mean all of the Debtor's right, title and interest in and to machinery, equipment, vehicles, furniture and fixtures and all

attachments, accessories and equipment now or hereafter owned or acquired in the Debtors businesses or used in connection therewith, and all substitutions and replacements thereof, wherever located, whether now owned or hereafter acquired by the Debtor.

- (4) "General Intangibles" shall mean all of the Debtor's present and future general intangibles of every kind and description, including (without limitation) patents, patent applications, trade names and trademarks and the goodwill of the business symbolized thereby, Federal, State and local tax refund claims of all kinds.
- (5) "Inventory" shall mean all of the Debtor's raw materials, work in process, finished goods and all other inventory (as such term is defined in the UCC), whether now owned or hereafter acquired, and all wrapping, packaging, advertising and shipping materials, and any documents relating thereto.
- (6) "Lien" shall mean, with respect to any asset, (i) any mortgage, lien, pledge, encumbrance, charge or security interest in or on such asset, (ii) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset, (iii) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities or (iv) any other right of or arrangement with any creditor to be entitled to receive any such mortgage, lien, pledge, encumbrance, charge or security interest on or to have such creditor's claim satisfied out of such assets, or the proceeds therefrom, prior to the general creditors of the owner thereof.
- (7) "Proceeds" shall mean any and all products and proceeds of any other item of Collateral, including, without limitation, any consideration received from the sale, exchange, lease or other disposition of any asset or property which constitutes Collateral, any other value received as a consequence of the possession of any Collateral and any payment received from any insurer or other person or entity as a result of the destruction, loss, theft or other involuntary conversion of whatever nature of any asset of property that constitutes Collateral, and shall also include, without limitation, all cash and negotiable instruments received or held by the Agent and/or any of the Lenders (as defined in the Credit Agreement) pursuant to any lock box or similar arrangements to the payment of Accounts Receivable.

- (8) "UCC" shall mean the Uniform Commercial Code as in effect in the State of New York, except to the extent that the validity or perfection of the security interest, or remedies in respect of any particular collateral are governed by the laws of a jurisdiction other than the State of New York, with respect to such collateral, "UCC" shall mean the Uniform Commercial Code as in effect in that jurisdiction.

Inst. # 1999-38727

- 3 - 09/16/1999-38727  
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SHELBY COUNTY JUDGE OF PROBATE  
004 C31 18.00