

This instrument prepared by
and upon recording return to:
Murphy McMillan, Esq.
Baker Donelson Bearman
Caldwell & Berkowitz, PC
420 20th Street North
Suite 1400
Birmingham, Alabama 35203


20140221000048330 1/15 \$56.00
Shelby Cnty Judge of Probate, AL
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SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "**Agreement**"), is made between the **CITY OF CALERA, ALABAMA**, a municipal corporation ("**City**") and **Ameritas Life Insurance Corp.** and **The Union Central Life Insurance Company**, their successors and/or assigns ("**Lender**").

WITNESSETH:

A. City, as ground lease landlord, and Calera Crossings, LLC, an Alabama limited liability company, its successors or assigns ("**Borrower**"), as ground lease tenant, entered into the Ground Lease, dated March 3, 2009 (the "**Ground Lease**"), with respect the real property described on **Exhibit A**, attached (the "**Project Property**").

B. The Project Property consists of (i) a shopping center of approximately 58,200 square feet, including a grocery store of approximately 45,600 square feet sub-leased by Publix Alabama, LLC, together with land allocated for future development (the "**Shopping Center Property**"), which is more particularly described on **Exhibit B** and depicted on **Exhibit B-1**, attached; and (ii) subdivided outparcels (the "**Outparcel Property**") more particularly described on **Exhibit C** and depicted on **Exhibit C-1**, attached.

C. City and Borrower have (1) amended the Ground Lease by the First Amendment to Ground Lease (the "**Shopping Center Ground Lease**") dated February 21, 2014 and the "**Outparcel Ground Lease**," dated February 21, 2014.

D. Lender is making a loan (the "**Loan**") to Borrower, in the principal amount of \$6,200,000.00 to be secured by a mortgage lien (the "**Mortgage**") on Borrower's leasehold estate in the Shopping Center Property created under the Shopping Center Ground Lease.

E. Borrower proposes to construct an additional 5,600 square feet of retail space on the Shopping Center Property.

F. As additional security for the Loan, Lender desires for City to subordinate its fee interest in the Shopping Center Property to the lien of the Mortgage.

G. City has agreed to subordinate its fee interest in the Shopping Center Property to the Mortgage under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of ten dollars (\$10.00) and other due, good, and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Lender to make the Loan, the parties hereby agree as follows:

1. Subordination. City, as ground lease landlord, does hereby grant, mortgage, sell and convey to Lender with power of sale and all statutory rights all of City's fee simple estate, right, title and interest in and to the Shopping Center Property as additional security for the Loan. City hereby further agrees that its fee interest in the Shopping Center Property is and shall remain subordinated to the lien of Lender's Mortgage to the same full extent as if City had signed the Mortgage with Borrower intending that its fee interest in the Shopping Center Property be given as security for the Loan. This subordination shall be operative and effective continuously beginning on the date of full execution hereof and shall continue until payment in full of the Loan but only as to the Mortgage described above and shall not be effective with respect to any future or existing lien or encumbrance on the Property.

2. Notification. Lender agrees to notify City of any default of Borrower and shall allow City the cure such Borrower's default.

3. Miscellaneous. This Agreement is absolute and unconditional, and Lender and any title insurer may rely fully upon this Agreement for the purpose of issuing any title insurance policy or executing any loan documents. City further agrees, upon request of Lender to execute any further documents reasonably requested to ratify and further acknowledge this Agreement. This Agreement shall benefit successors and assigns of Lender.

IN WITNESS WHEREOF, the undersigned have executed this Agreement this the
18 day of Feb, 2014.

CITY:

ATTEST:

CITY OF CALERA, ALABAMA

Connie B. Payton
Connie B. Payton, City Clerk

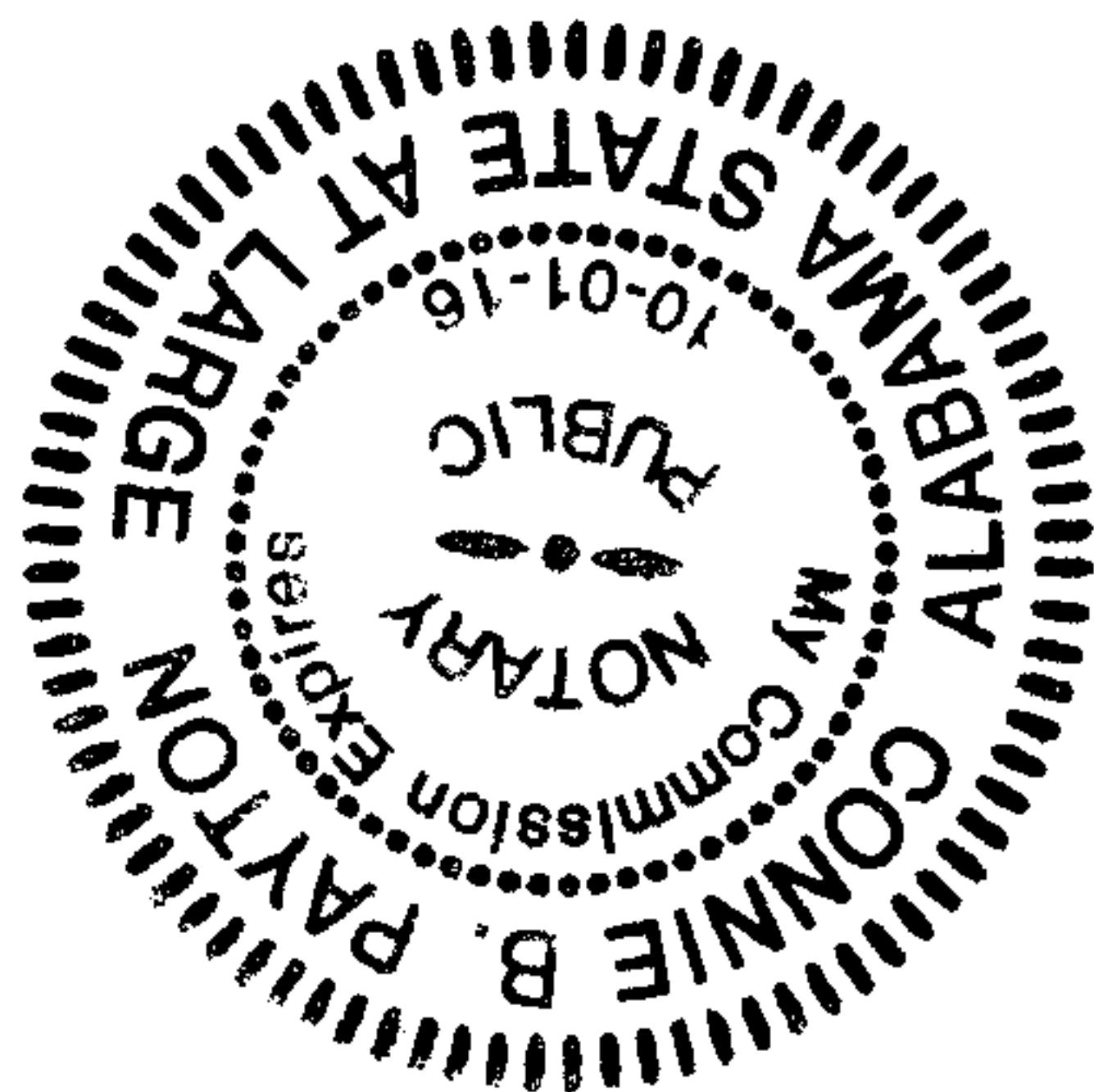
By: Jon E. Graham
Jon E. Graham, Mayor

STATE OF ALABAMA)

SHELBY COUNTY)

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that
Jon E. Graham, whose name as Mayor of the **City of Calera**, Alabama, a municipal 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 Mayor, and with full authority, executed the same voluntarily for and on behalf of the City of Calera, Alabama.

Given under my hand and official seal this 18 day of Feb, 2014.



Connie B. Payton
Notary Public
My Commission Expires: 10-1-16

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LENDER:

ATTEST:

Kam D. [Signature]

AMERITAS LIFE INSURANCE CORP.

By:

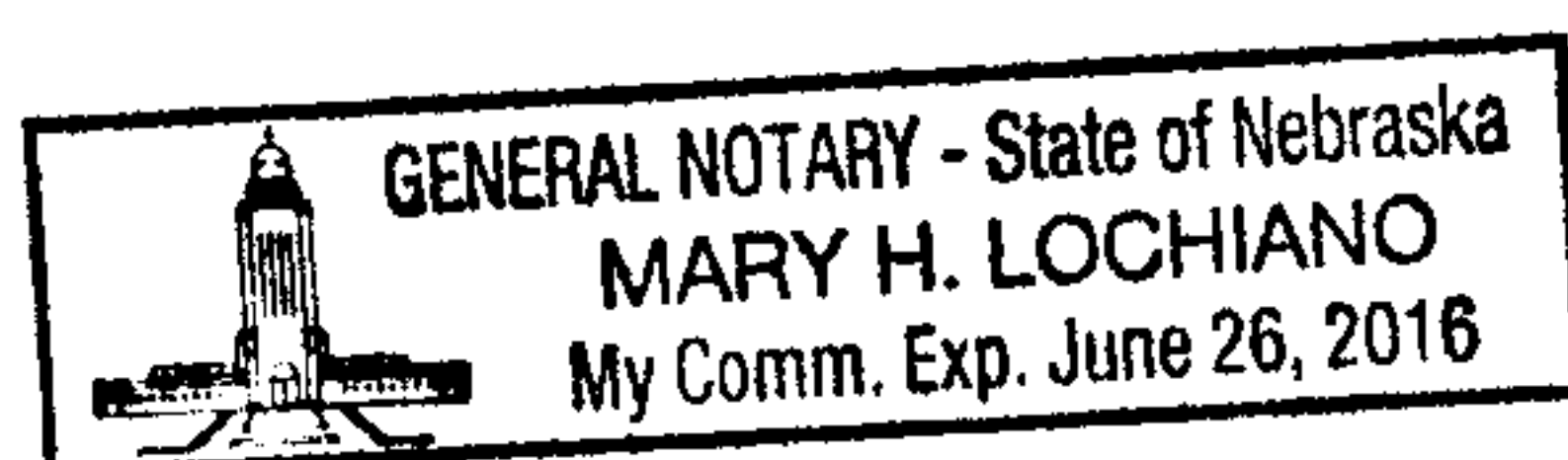
[Signature]
Jon B. Weinberg
Its: VP

STATE OF Nebraska)

COUNTY OF Lincoln

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that Jon B. Weinberg whose name as Vice President of the **Ameritas Life Insurance Corp.**, a Nebraska 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/she, as Vice President, and with full authority, executed the same voluntarily for and on behalf of the corporation.

Given under my hand and official seal this 20 day of February, 2014.



Mary H. Lochiano
Notary Public

My Commission Expires: June 26, 2016

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ATTEST:

[Signature]

THE UNION CENTRAL LIFE INSURANCE
COMPANY

By:

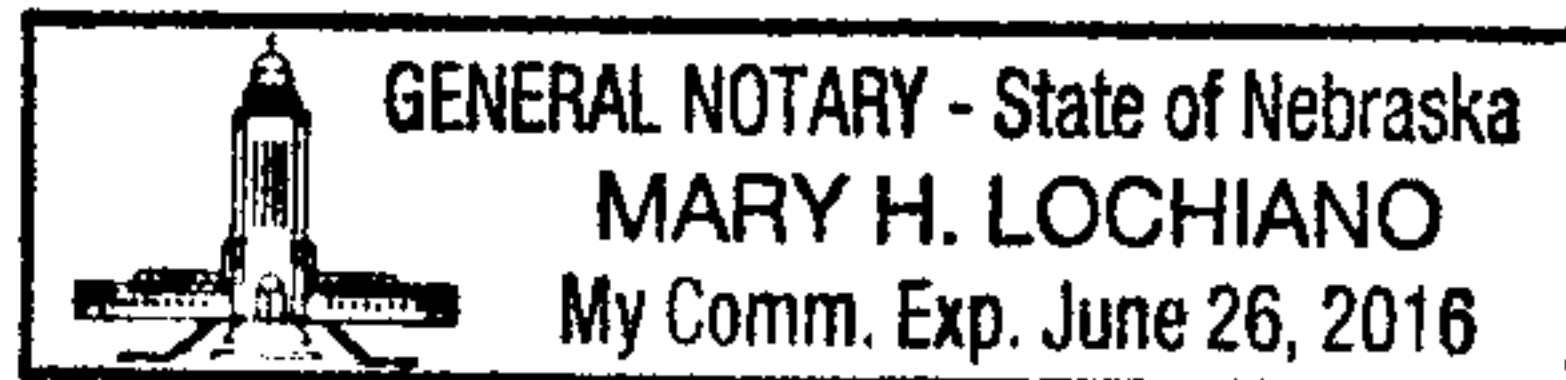
[Signature]
Jon B Weinberg
Its: VP

STATE OF Nebraska)

COUNTY OF Lancaster

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that Jon B. Weinberg whose name as Vice President of the **The Union Central Life Insurance Company**, a Nebraska 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/she, as Vice President, and with full authority, executed the same voluntarily for and on behalf of the corporation.

Given under my hand and official seal this 20 day of February, 2014.



[Signature]
Notary Public

My Commission Expires: June 26, 2016



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EXHIBIT A
PROJECT PROPERTY

Commence at a 3 inch capped iron found locally accepted to be the Southeast corner of Section 33, Township 21 South, Range 2 West, Shelby County, Alabama; thence run North 01 degrees, 10 minutes, 29 seconds East along the East line of said Section 33 for a distance of 468.18 feet to a 2 inch open top iron found; thence run North 87 degrees, 44 minutes, 46 seconds West for a distance of 596.15 feet to an iron pin set at the point of beginning; thence continue North 87 degrees, 44 minutes, 46 seconds West for a distance of 470.90 feet to a one half inch rebar found; thence run North 89 degrees, 21 minutes, 49 seconds West for a distance of 959.20 feet to a Shiflett Capped Iron found; thence run North 00 degrees, 00 minutes, 07 seconds West for a distance of 263.28 feet to an iron pin set; thence run South 89 degrees, 48 minutes, 23 seconds East for a distance of 162.92 feet to an iron pin set; thence run North 04 degrees, 37 minutes, 59 seconds East for a distance of 335.64 feet to an iron pin set; thence run South 89 degrees, 19 minutes, 36 seconds East for a distance of 279.61 feet to an iron pin set; thence run North 04 degrees, 37 minutes, 59 seconds East for a distance of 200.45 feet to an iron pin set on the South right-of-way of Alabama Highway No. 70 said iron pin set also being on a curve to the right, having a central angle of 14 degrees, 15 minutes, 33 seconds, a radius of 1,403.43 feet, a chord bearing of South 87 degrees, 33 minutes, 59 seconds East and a chord of 348.37 feet; thence run in a Southeasterly direction along the arc of said curve and also along said South right-of-way line for a distance of 349.27 feet to an iron pin set; thence run South 80 degrees, 26 minutes, 15 seconds East along said South right-of-way line for a distance of 512.62 feet to an iron pin set; thence run South 10 degrees, 28 minutes, 18 seconds West for a distance of 443.20 feet to a half inch rebar found; thence run South 89 degrees, 37 minutes, 38 seconds East for a distance of 142.37 feet to an iron pin set; thence run South 00 degrees, 25 minutes, 12 seconds East for a distance of 201.30 feet to an iron pin set on a curve to the left, having a central angle of 87 degrees, 19 minutes, 33 seconds, a radius of 25.00 feet, a chord bearing of South 44 degrees, 04 minutes, 59 seconds East and a chord of 34.52 feet; thence run in a Southeasterly direction along the arc of said curve for a distance of 38.10 feet to an iron pin set; thence run South 87 degrees, 44 minutes, 46 seconds East for a distance of 5.69 feet to an iron pin set; thence run South 02 degrees, 33 minutes, 15 seconds West for a distance of 60.00 feet to the point of beginning; Said parcel containing 20.56 acres, more or less.

EXHIBIT B

SHOPPING CENTER PROPERTY DESCRIPTION

**LOT 7, CALERA MARKETPLACE, MAP BOOK 41, PAGE 48, RECORDS OF SHELBY
COUNTY, STATE OF ALABAMA.**

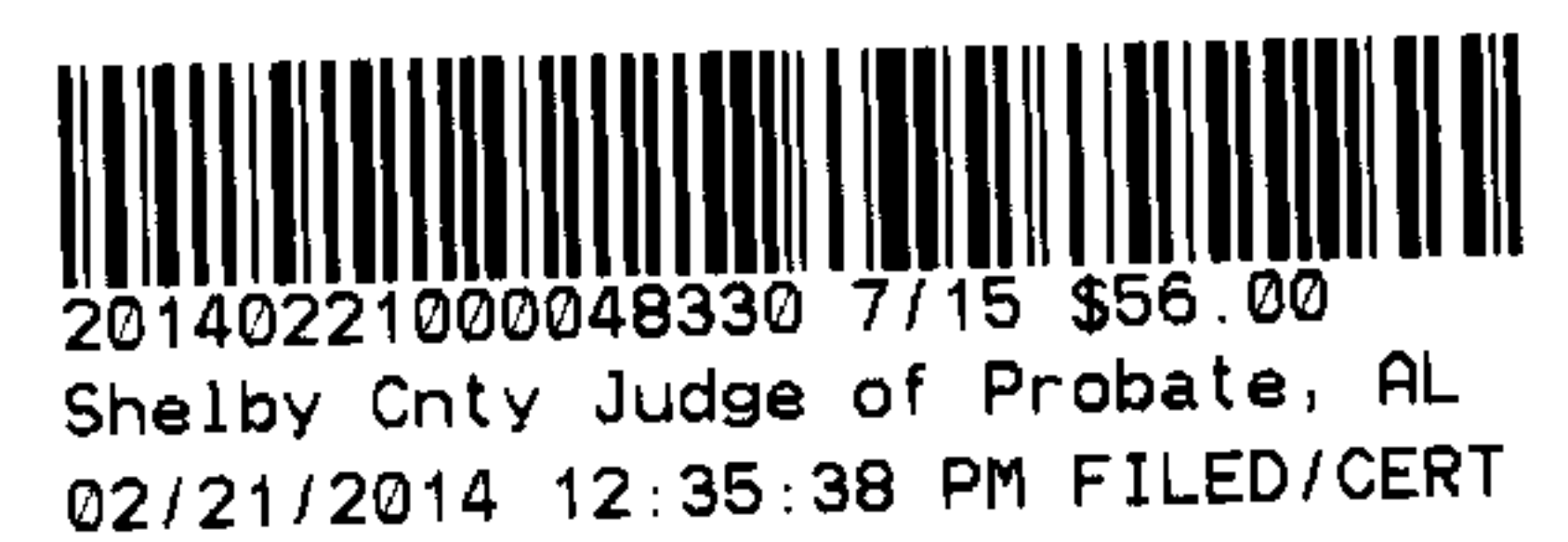


EXHIBIT B-1

SHOPPING CENTER PROPERTY DEPICTION

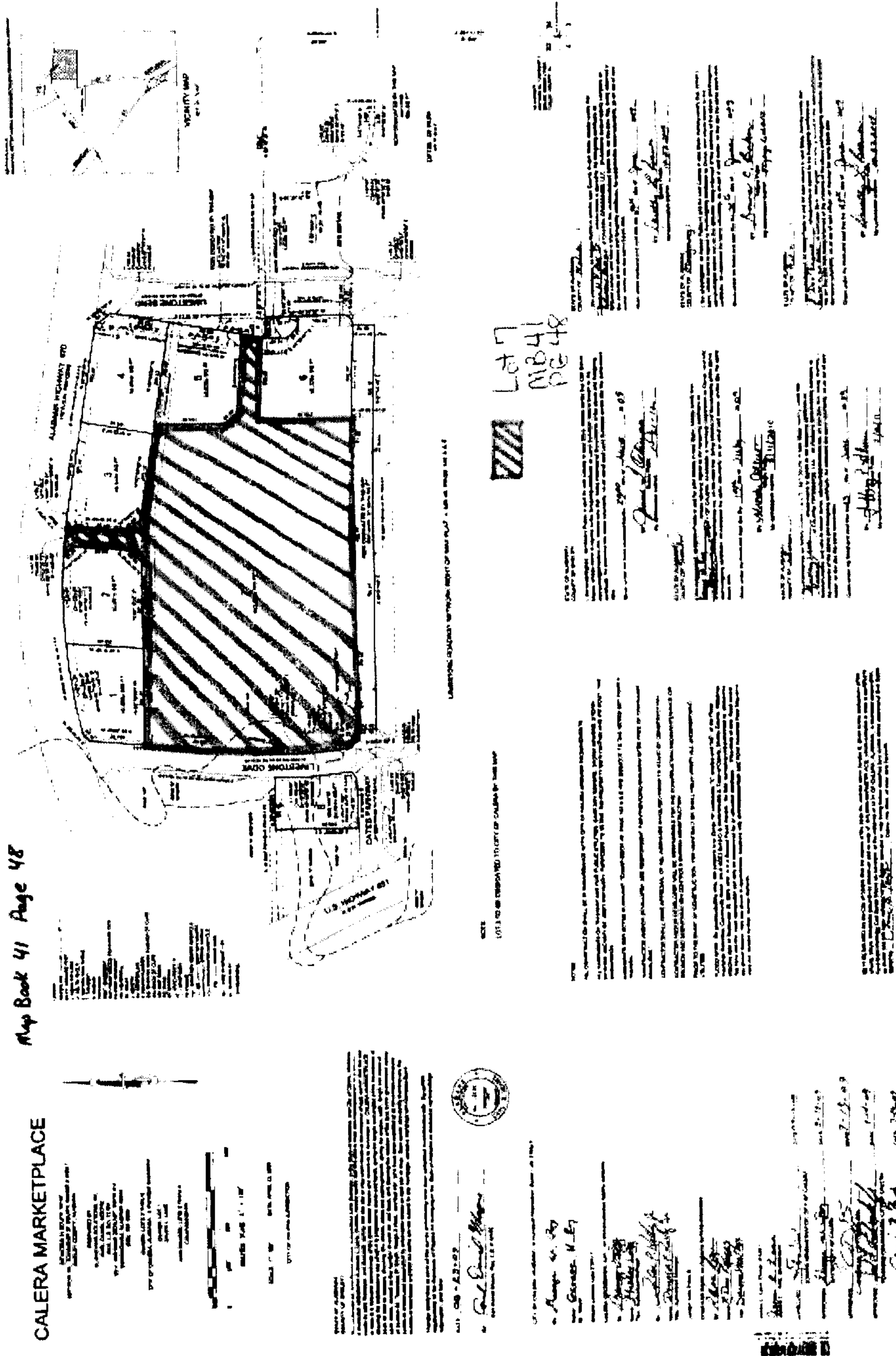


EXHIBIT C

OUTPARCEL PROPERTY DESCRIPTION

**OUTPARCELS 1, 2, 3, 4, 5 AND 6 OF CALERA MARKETPLACE, MAP BOOK 41,
PAGE 48, RECORDS OF SHELBY COUNTY, STATE OF ALABAMA.**



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OUTPARCEL PROPERTY DEPICTION

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December 2, 2013

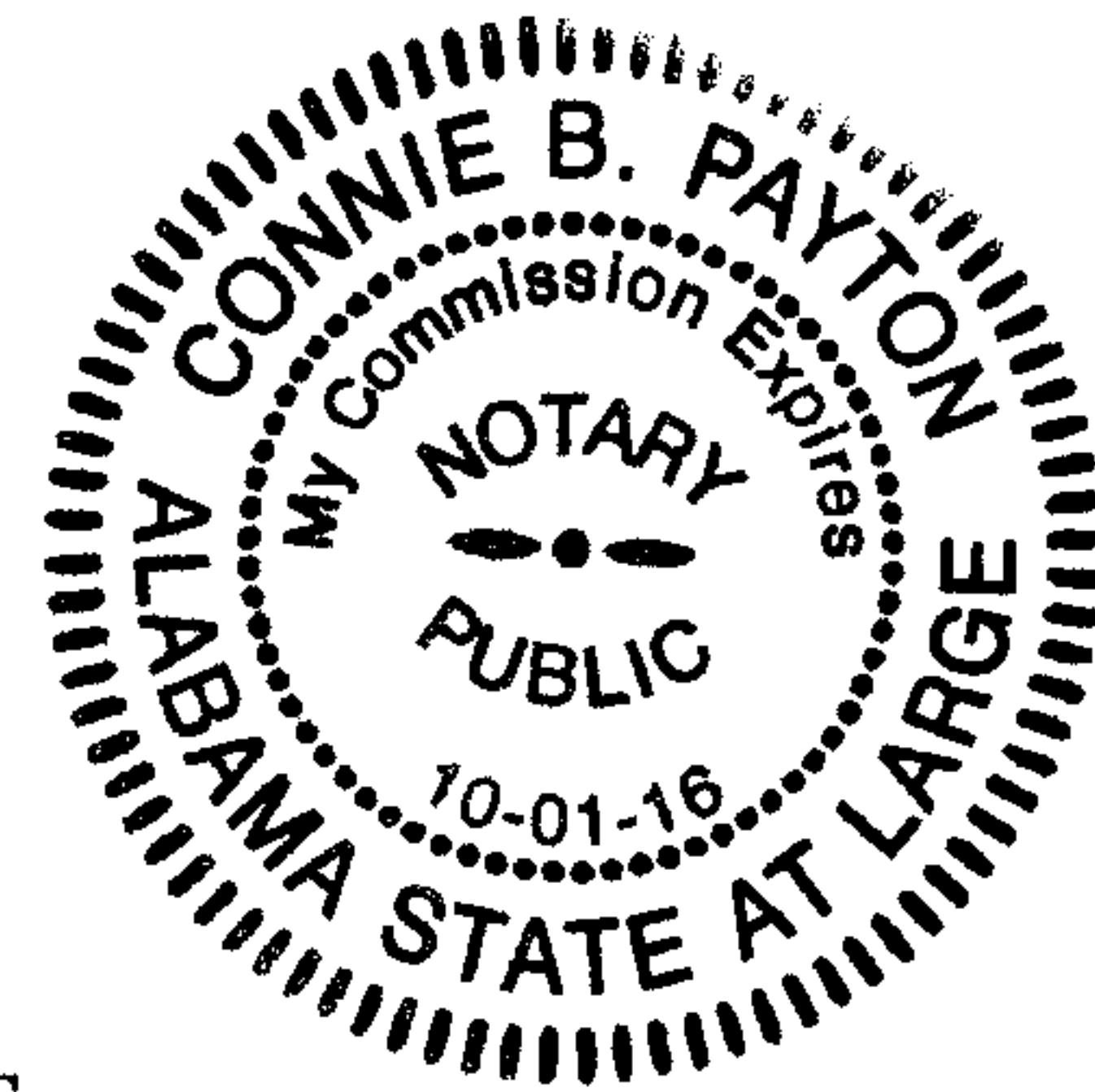
The Mayor and Council of the City of Calera met on December 2, 2013 at 6:30 p.m. at Calera City Hall with the following present:

Mayor: Jon G. Graham

Council Members: Ernest Montgomery, Alan Watts, David Bradshaw, Chris Bunn, Philip Busby, Bobby Joe Phillips

Department Heads: Roy Hadaway, Finance Director
Sean Kendrick, Fire Chief
Sean Lemley, Police Chief
Reggie Darden, Building Official
David Jones, Public Works Director
Doug Smedley, Sewer Operations
Seth Gandy, Park and Recreation Director

Guests: Harold Cole, Sondra Coley and Butch Ellis



Keith Jones called the meeting to order and opened with a Word of Prayer and the Pledge of Allegiance.

Council Member Phillips made a motion to approve and dispense with the reading of the following minutes:

Regular Meeting – November 18, 2013
Work Session – November 18, 2013

Council Member Bradshaw seconded said motion which was carried unanimously.

REPORTS OF DEPARTMENT HEADS:

Roy Hadaway, Finance Director presented the attached budget adjustment for approval.
(See Attached)

Council Member Phillips made a motion to approve the budget adjustment. Council Member Bunn seconded said motion which was carried unanimously.

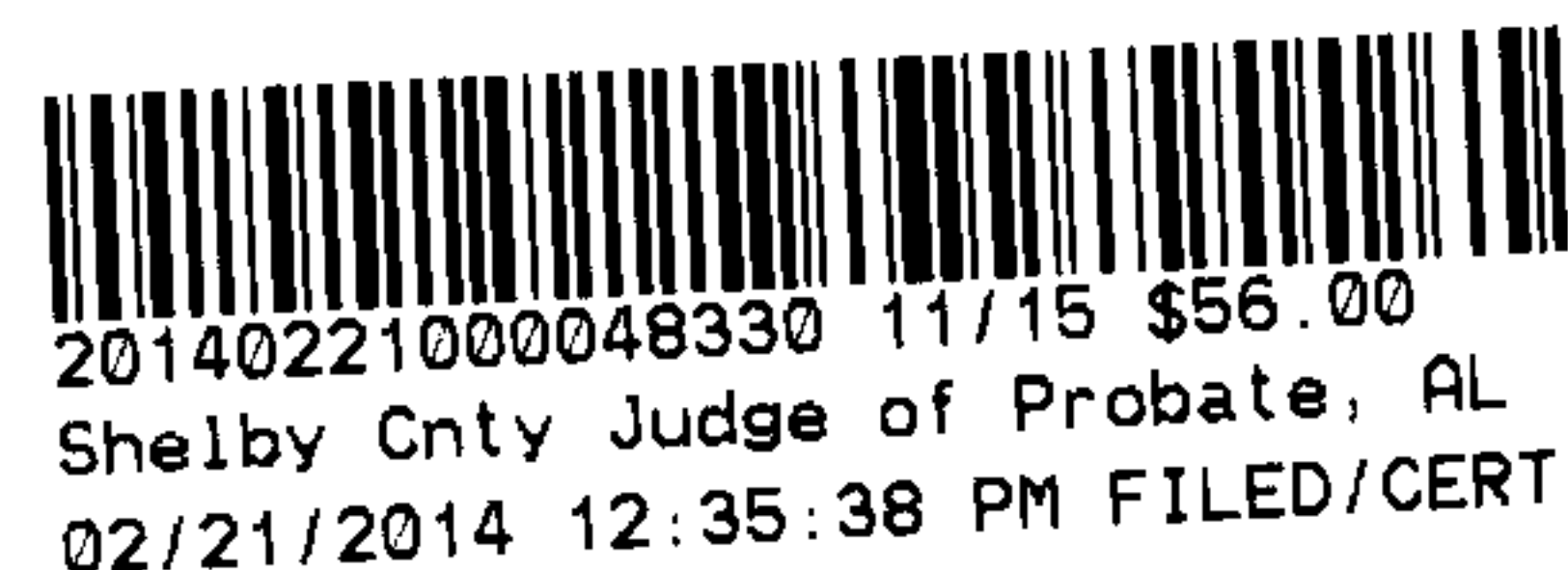
David Jones, Public Works Director reported the new garbage truck will be delivered the end of month.

Sean Lemley, Police Chief reported CSX will make the needed repairs to the Highway 22 Railroad Crossings next week.

COUNCIL MEMBER REPORTS:

No reports given

MAYOR REPORT:



No report given

OLD BUSINESS:

No Old Business

NEW BUSINESS:

Butch Ellis, City Attorney reviewed the Calera Crossings Shopping Center Phase II documents with the Mayor and Council. Mr. Ellis requested the Council give Mayor Graham the authority to negotiate the final details, terms and conditions and thereafter to sign on behalf of the City any documents deemed necessary and advisable to carry out the Proposed Refinancing, including but not limited to the First Amendment to Ground Lease, the Outparcel Ground Lease and the Subordination Agreement referenced in the following Ordinance:

Mayor Graham introduced the following Ordinance:

ORDINANCE NO. 2013-19

BE IT ORDAINED by the Mayor and the City Council (the "Council") of the City of Calera, Alabama (the "City") as follows:

WHEREAS, the Council did heretofore on, to-wit, December 22, 2008, adopt Ordinance No. 2008-29 (capitalized terms used herein without being defined shall have the meanings given them in Ordinance 2008-29), and

WHEREAS, pursuant to Ordinance 2008-29, the City, as ground lease landlord, and Calera Crossings, LLC (the "Company"), as ground lease tenant, entered into a Ground Lease, dated March 3, 2009 (the "Ground Lease"), with respect to the Economic Development Land (described in Ordinance 2008-29), part of which was sub-leased by Publix Alabama, LLC, and

WHEREAS, pursuant to Ordinance 2008-29, the City also entered into a Subordination Agreement, on or about March 3, 2009 (the "Compass Subordination Agreement"), with Compass Bank ("Compass") pursuant to which the City subordinated its fee interest in the Economic Development Land to a construction mortgage loan from Compass to the Company (the "Compass Loan"), and

WHEREAS, the Company proposes to refinance (the "Proposed Refinancing") the Compass Loan with a mortgage loan from a new lender (the "New Lender"), and

WHEREAS, the Proposed Refinancing will benefit the City by (1) reducing total debt on the Economic Development Land by approximately \$2,000,000, (2) removing the Outparcels (as defined in the Ground Lease) from the lien of the loan (the New Lender will not encumber the Outparcels), and (3) generating more activity on the Economic Development Land through additional space (approximately 5,600 square feet) that the Company will develop and pay for in cash (without a mortgage loan), and which, in turn, should increase sales tax revenue, and

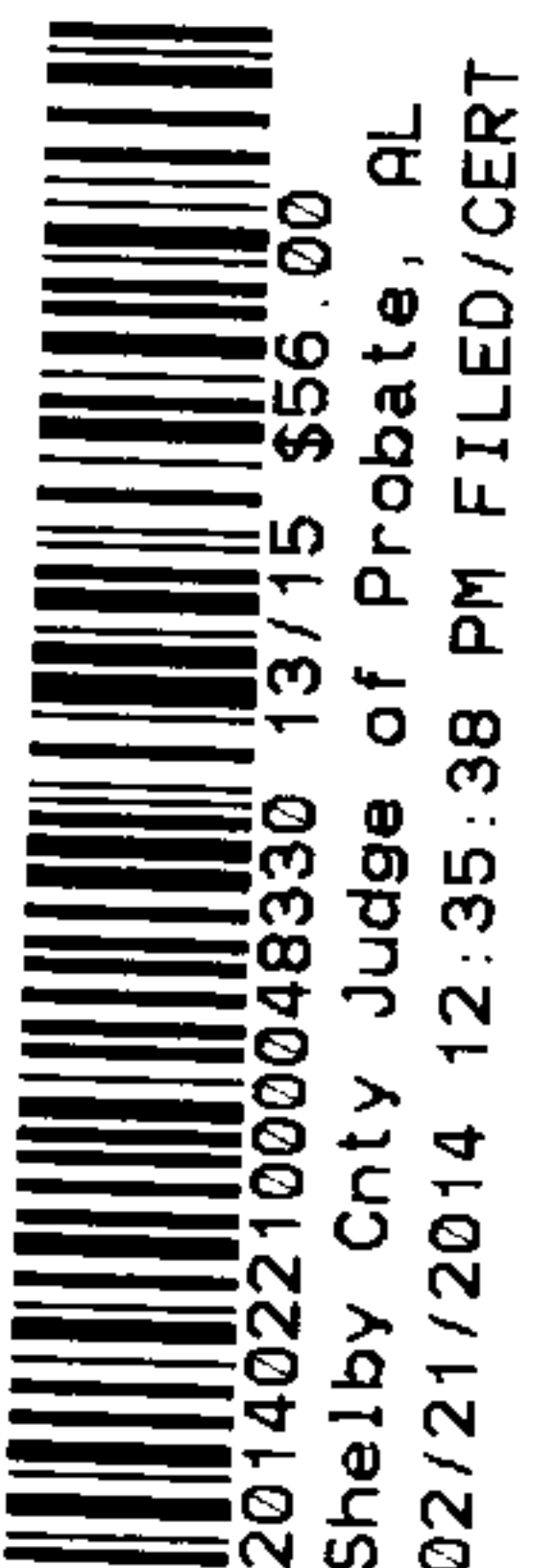
WHEREAS, in order for the Proposed Refinancing to be accomplished, it is necessary and desirable, and in the best interests of the City, for the City to (a) amend the description of the property in the Ground Lease to exclude the Outparcels, (b) enter into an "Outparcel Ground Lease" with respect to the Outparcels, and (c) enter into a subordination agreement with the New Lender to replace the Compass Subordination Agreement, and

WHEREAS, the Council approves the Proposed Refinancing and the following actions which the City proposes to take: (i) the amendment of the description of the property in the Ground Lease to exclude the Outparcels pursuant to a First Amendment to Ground Lease (the "First Amendment to Ground Lease") by and between the City and the Company; (ii) the lease of the Outparcels to the Company pursuant to an Outparcel Ground Lease (the "Outparcel Ground Lease") by and between the City and the Company; (iii) the execution and delivery by the City of a Subordination Agreement (the "Subordination Agreement") by and between the City and the New Lender which provides that the City will subordinate its fee interest in the Economic Development Land, excluding the Outparcels, to a mortgage loan from the New Lender to the Company:

NOW, THEREFORE, BE IT FURTHER ORDAINED BY THE MAYOR AND THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF CALERA, ALABAMA (THE "CITY"), as follows:

1. **Authorization of First Amendment to Ground Lease, Outparcel Ground Lease, and Subordination Agreement.** The Mayor of the City is hereby authorized to execute and deliver, for and in the name and behalf of the City, the First Amendment to Ground Lease, the Outparcel Ground Lease, and the Subordination Agreement in such forms as the Mayor of the City acting with the advice of counsel to the City, shall determine to be necessary or desirable to carry out fully the transactions contemplated by this ordinance. The First Amendment to Ground Lease, the Outparcel Ground Lease, and the Subordination Agreement shall be in substantially the forms presented to the meeting of the Council at which this ordinance is adopted (which forms shall be preserved in the permanent records of the City pertaining to the said meeting and which forms are hereby adopted in all respects as if the same were set out in full herein), with such changes, not inconsistent with the provisions hereof, as the Mayor of the City acting with the advice of counsel to the City, shall determine to be necessary or desirable in order to consummate the transactions authorized by this ordinance, the determination of the definitive forms of the First Amendment to Ground Lease, the Outparcel Ground Lease, and the Subordination Agreement by such officer to be conclusively established by his execution of the same, and the First Amendment to Ground Lease, the Outparcel Ground Lease, and the Subordination Agreement, as executed by the said Mayor, are hereby approved, and the use thereof is hereby authorized. The City Clerk is hereby authorized and directed to affix the official seal of the City to the First Amendment to Ground Lease, the Outparcel Ground Lease, and the Subordination Agreement, and to attest the same.

2. **General Authorization.** The Mayor of the City, the City Clerk, the City Treasurer, and all other officers of the City and of the Council are hereby authorized and directed to execute, deliver, seal, and attest such instruments, agreements, undertakings, documents, and certificates and to take such other actions on behalf of the City as may be necessary to consummate the Proposed Refinancing, the amendment of the description of the property in the Ground Lease to exclude the Outparcels, the lease of the Outparcels pursuant to an "Outparcel Ground Lease," the subordination of the City's fee interest in



the Economic Development Land, excluding the Outparcels, to the lien of the loan with the New Lender, and the execution and delivery of the First Amendment to Ground Lease, the Outparcel Ground Lease, and the Subordination Agreement and to carry out fully the transactions contemplated by this ordinance.

Council Member Montgomery moved that unanimous consent of the Council be given for the immediate action upon said Ordinance. Council Member Bradshaw seconded said motion and upon vote the results were:

AYES: Montgomery, Watts, Bradshaw, Graham, Bunn, Busby, Phillips

NAYS: None

The Mayor declared said motion carried and unanimous consent given.

Council Member Phillips moved that Ordinance No. 2013-19 be adopted, which motion was seconded by Council Member Montgomery and upon vote the results were as follows:

AYES: Montgomery, Watts, Bradshaw, Graham, Bunn, Busby, Phillips

NAYS: None

Adopted this 2nd day of December, 2013.

Mayor declared Ordinance No. 2013-19 adopted.

Connie B. Payton
Connie B. Payton, City Clerk

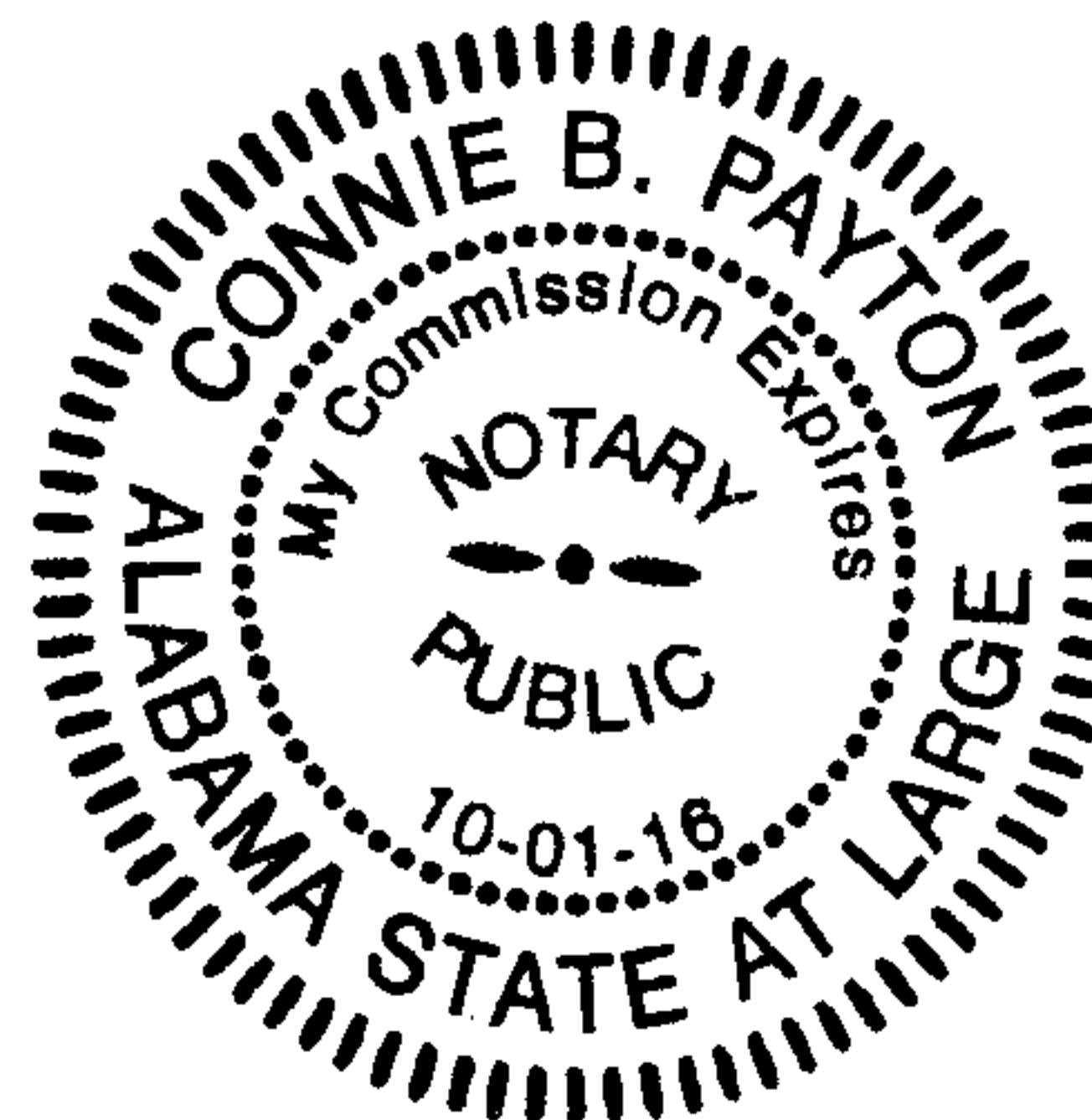
Jon G. Graham
Jon G. Graham, Mayor

Council Member Phillips made a motion to adjourn the meeting at 6:36 p.m.

Approved this 16th day of December, 2013.

Jon G. Graham
Jon G. Graham, Mayor

ATTEST:
Connie B. Payton
Connie B. Payton, City Clerk



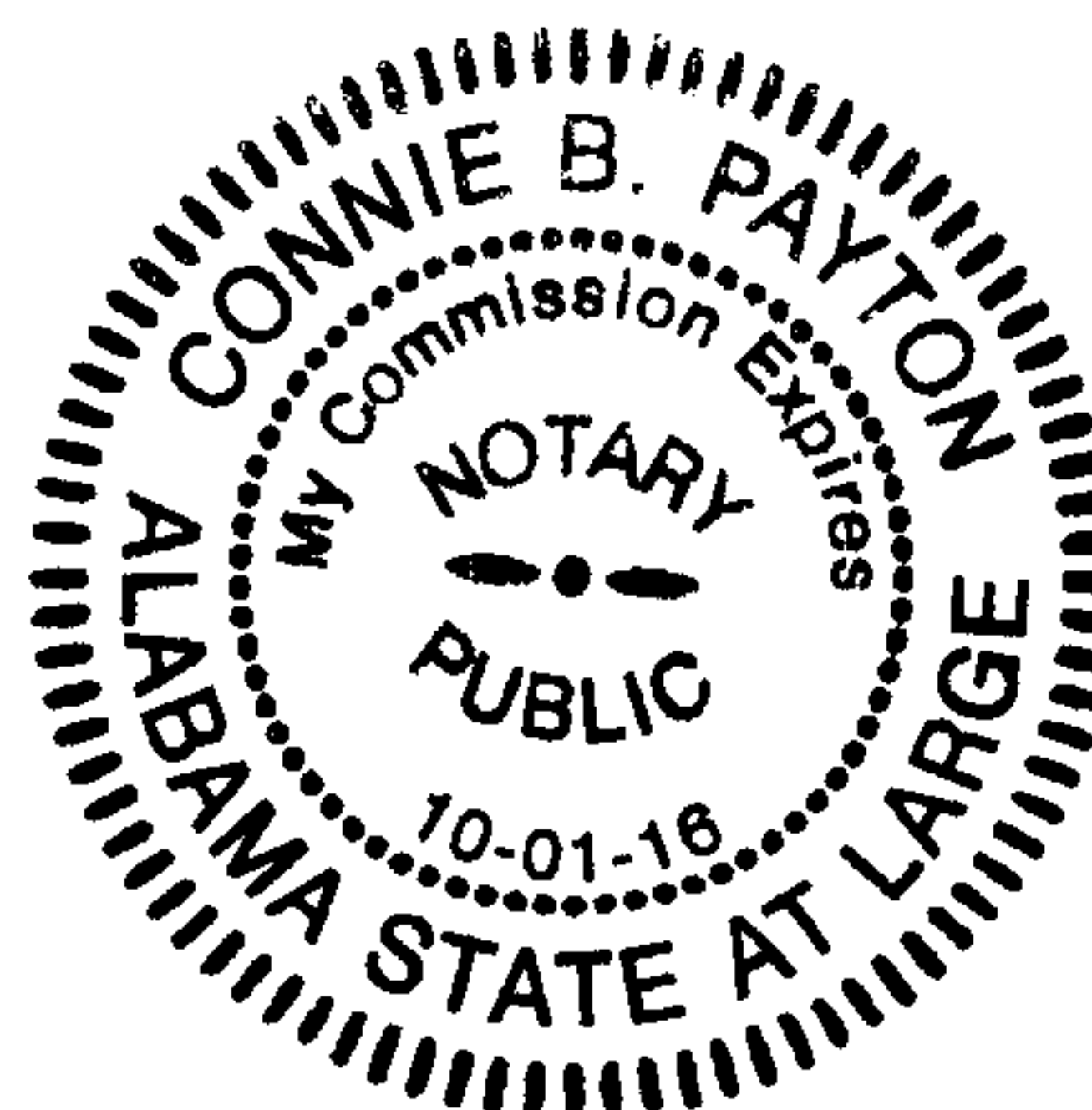
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I hereby certify this to be a true and correct copy of the City of Calera Council Minutes for December 2, 2013.

This 12th day of February, 2014.

Connie B. Payton

Connie B. Payton
City Clerk, City of Calera



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