

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT, made and entered into this ____ day of _____, 20_____, by and between _____, or any future lender that may participate with or replace such (collectively "Lender"), and _____ ("Holder").

WHEREAS, Holder and _____ ("Loan Party") have entered into that certain Asset Purchase Agreement dated as of the _____ day of _____, 1997 (the "Purchase Agreement") pursuant to which the Loan Party is to acquire the Transferred Assets, as defined in the Purchase Agreement;

WHEREAS, Lender has or will grant the Loan Party certain financial accommodations pursuant to that certain Loan Agreement dated the _____ day of _____, 1997 (the "Loan Agreement"), which financial accommodations include financing of the Purchase Price under the Purchase Agreement;

WHEREAS, Holder desires to subordinate obligations of the Loan Party to Holder to the obligations the Loan Party to Lender in order to effectuate the transactions contemplated by the Loan Agreement.

WITNESSETH:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Holder, and in order to induce Lender or any future lender that may replace Lender, at its option, now or from time to time hereafter, to make loans and extend credit to or for the benefit of the Loan Party, to grant such renewals, extensions, refundings and refinancings thereof as Lender may deem advisable and to better secure Lender in respect of the foregoing, Holder hereby agrees with Lender as hereinafter set forth:

1. Definitions. As used in this Agreement, the terms set forth below shall have the following meanings:

"Collateral" shall mean all assets and property, tangible, intangible, corporeal, incorporeal, real, personal, movable or immovable of the Loan Party, whether now existing or hereafter arising or created, in which a security interest or lien is now or hereafter granted to Lender to secure the Obligations, or any part thereof.

"Enforcement Action" shall mean for Holder to make demand for payment of or accelerate the maturity of the Subordinated Debt, take possession of or collect any of the collateral for the Subordinated Debt, commence the enforcement (by judicial proceedings or otherwise) of any of the rights and remedies existing or available under any of the Subordinated Debt Loan Documents, at law or in equity against any Loan Party.

"Loan Documents" shall mean any Loan Agreement executed by the Loan Party and Lender, the notes and collateral and security documents referred to therein and each other instrument, agreement and document executed and delivered by the Loan Party to Lender in connection with the Obligations and all renewals, extensions, amendments, modifications or replacements thereof.

"Loan Party" shall mean _____.

"Obligations" shall mean all indebtedness, liabilities, and obligations (including, without limitation, principal, interest, fees and expenses) of the Loan Party to Lender whether direct, indirect, contingent, joint, several, or independent, now or hereafter existing, due or to become due to, or held or to be held by, Lender, whether created directly or acquired by assignment or otherwise, whether or not evidenced by written instrument, including, without limitation, all

indebtedness, liabilities, and obligations of the Loan Party to Lender arising out of or in connection with the Loan Documents.

“Subordinated Debt” shall mean all indebtedness, liabilities, and obligations (including, without limitation, principal, interest, fees and expenses) of the Loan Party to Holder, whether direct, indirect, contingent, joint, several, or independent, now or hereafter existing, due or to become due to, or held or to be held by, the undersigned, whether created directly or acquired by assignment or otherwise, and whether or not evidenced by written instrument including, without limitation, all indebtedness, liabilities, and obligations of the Loan Party to Lender arising out of or in connection with (i) the Subordinated Notes, and (ii) the Permitted Claims.

“Subordinated Debt Loan Documents” shall mean all loan agreements, promissory notes, security agreements, pledge agreements, mortgages, deeds of trust and each other instrument, agreement and document executed and delivered by the Loan Party to Holder in connection with the Subordinated Debt and any renewals, extensions, amendments, modifications or replacements thereof.

“Subordinated Note” shall mean that certain promissory note dated _____, 1997 in the original principal amount of \$ _____ and any renewals, extensions, replacements, substitutions therefor.

In addition, the terms used herein which are defined in the recitals to this Agreement shall have the meanings given to them in the recitals.

2. Subordination. To the extent and in the manner hereinafter set forth, Holder hereby subordinates, in right of payment and claim, all Subordinated Debt to the Obligations:

(a) Until the Obligations shall have been paid and satisfied in full in cash, the undersigned shall not receive or collect, directly or indirectly, any amount upon the Subordinated Debt; provided, however, that as long as no Event of Default has occurred and is continuing under the Loan Documents, or would exist immediately after the making of such payment, the Loan Party may make regularly scheduled payments of principal and interest on the Subordinated Debt to Holder.

(b) Until the Obligations shall have been paid and satisfied in full in cash, the undersigned shall not (i) except as permitted below, commence any Enforcement Action of any kind whatsoever against the Loan Party or any of its assets (including, without limitation, the Collateral) to recover all or any part of the Subordinated Debt, or (ii) join with any creditor in bringing any proceedings against the Loan Party under any liquidation, conservatorship, bankruptcy, reorganization, rearrangement, debtor’s relief, or other insolvency law now or hereafter existing.

If an event of default has occurred under the Subordinated Debt, subject to the limitations set forth herein, the undersigned may commence an Enforcement Action at any time after one hundred eighty (180) days (the “Standstill Period”) after Lender has received written notice (a “Standstill Notice”) from the Holder of such default which default was not cured or waived prior to the Holder’s taking the actions described herein. In the event the Loan Party is the subject of a bankruptcy proceeding or any other proceeding that limits Lender’s ability to exercise its remedies, the running of the Standstill Period shall be tolled until the lifting of the automatic stay or the removal of any other limitation on Lender’s ability to exercise its remedies in order to permit the Lender to foreclose its liens, provided further that when such automatic stay is lifted or such other limitation is removed, Holder shall not take any action described herein until a new Standstill Period, beginning with the lifting of such automatic stay or the removal of such limitation, has expired. If Lender receives a Standstill Notice and the default described therein is cured or waived before the expiration of such Standstill Period, and before Holder may take any Enforcement Action, Lender must receive another Standstill Notice and a new Standstill Period (subject to tolling and other provisions of this section) must have expired.

(c) Notwithstanding the terms of the Subordinated Debt Loan Documents, (i) the Loan Party shall have the right to cure any default or event of default under the Subordinated Debt Loan Documents during the first 180 days of any Standstill Period, and (ii) any default or event of default under subparagraph (b) of the Subordinated Notes arising from a default with respect to the Obligations shall be deemed cured if the default or event of default with respect to the Obligations is waived by or cured to Lender's satisfaction.

3. So long as any Obligations remain unpaid, Holder will not (i) establish a sinking fund for the payment or prepayment of or otherwise arrange for the defeasance of any Subordinated Debt; (ii) amend, modify or alter in any way the terms of the Subordinated Debt or any document, agreement, instrument or certificate relating thereto in a manner to shorten the maturity thereof or to cause any installment thereof to be due on an earlier date or to change the amount of any installment payment thereof or to increase the interest rate thereon or to otherwise materially and adversely affect Lender, or (iii) exercise any remedies with respect to any of the Subordinated Debt or any collateral at any time securing payment or performance thereof, except as permitted in Paragraph 2 hereof. Holder agrees that it will not challenge, object to or in any respect inhibit or otherwise interfere with Lender's enforcement of any of its rights or remedies in respect of the Obligations or this Subordination Agreement.

4. Lender shall have no liability to Holder with respect to, and Holder waives any claim or defense which Holder may now or hereafter have against Lender arising from (i) any and all actions which Lender takes or omits to take (including, without limitation, actions with respect to the creation, perfection or continuation of Liens in any collateral securing any of the Obligations, actions with respect to the foreclosure upon, sale, release of, depreciation of or failure to realize upon any of such collateral, and actions with respect to the collection of any claim for all or any part of the Obligations from any account debtor, guarantor or any other Person) with respect to the Obligations or the valuation, use, protection or release of any collateral now or hereafter securing same, (ii) any right, now or hereafter existing, to require Lender to proceed against or exhaust any collateral at any time securing the Obligations or to marshal any assets in favor of either of the undersigned; (iii) any notice of the incurrence or increase of the Obligations, it being understood that Lender may make advances now or hereafter relating to the Obligations, without notice to or authorization of either of the undersigned, in reliance upon these subordination provisions; (iv) any defense based upon or arising by reason of (a) any disability or other defense of the Loan Party or any other person or entity or (b) any lack of authority of any agent or any other person or entity acting or purporting to act on behalf of the Loan Party or Holder; or (c) any failure by Lender to properly perfect any Lien in any asset of the Loan Party, (v) Lender's election, in and proceeding instituted under Chapter 11 of Title 11 of the United States Code (11 U.S.C. §101 et. seq.) (the "Bankruptcy Code"), of the application of Section 1111 (b)(2) of the Bankruptcy Code, and/or (vi) any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code.

5. Collateral. The security interest and other Liens (as defined in the Loan Agreement) in favor of Lender in and to the Collateral given to secure the Obligations shall have priority over any security interest or other Lien therein given or arising to secure the Subordinated Debt. Any security interest or other Lien of Holder in any assets or properties of the Loan Party shall be, and at all times remain, subject, inferior and subordinate to any security interest or other Lien of Lender therein given or arising to secure the Obligations. The priorities of the security interests established, altered, or specified hereinabove shall be applicable, irrespective of the time or order of attachment, recording or perfection thereof, the method of perfection, or the time or order of filing of financing statements or taking of possession. Holder agrees not to contest the validity, perfection, priority or enforceability of any Lien or security interest granted to Lender.

6. Subordinated Debt Owed Only to Holder: No Other Debt. Holder warrants and represents that Holder has not previously assigned any interest in the Subordinated Debt to any party, that no party owns an interest in the Subordinated Debt other than Holder and that the entire Subordinated Debt is owing to Holder, subject only to the rights of Lender hereunder. Holder represents, warrants, covenants and agrees that there is and will be no indebtedness or other obligations of the Loan Party to Holder other than the Subordinated Debt: provided, that, the Loan Party may become liable to Holder for claims arising out of or with respect to the Purchase Agreement, and

Holder as amended (the "Permitted Claims"). Holder represents, warrants, covenants and agrees that the Permitted Claims shall not be secured by a security interest or other Lien in favor of Holder and shall be subordinate to the Obligations.

7. Priority on Distribution. Notwithstanding anything herein to the contrary, in the event of any distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of the Loan Party to the creditors of the Loan Party or readjustment of the obligations and indebtedness of the Loan Party, whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceedings involving the readjustment of all or any of the Subordinated Debt, or the application of the assets of the Loan Party to the payment or liquidation thereof, or the dissolution or other winding up of the Loan Party's business, or upon the sale of all or substantially all of the Loan Party's assets, then, and in any such event, Lender shall be entitled to receive payment in full of any and all of the Obligations then owing prior to the payment of all or any part of the Subordinated Debt, and any payment or distribution of any kind or character, either in cash, securities or other property, which shall be payable or deliverable upon or with respect to any or all of the Subordinated Debt shall be paid or delivered directly to Lender for application on any of the Obligations, due or not due, until such Obligations shall have first been fully paid and satisfied.

8. Payments Received by Holder. Should any payment or distribution be received by Holder upon or with respect to the Subordinated Debt in violation of or contrary to the terms of the Agreement, Holder shall receive and hold the same in trust, as trustee, for the benefit of Lender and shall forthwith deliver the same to Lender in precisely the form received (except for endorsement or assignment by Holder where necessary), for application on any of the Obligations, due or not due, and, until so delivered, the same shall be held in trust by Holder as the property of Lender. In the event of the failure of Holder to make any such endorsement or assignment to Lender, Lender or any of its officers or employees, is hereby irrevocably authorized to make same as attorney-in-fact for Holder.

9. Instrument Legend. The Subordinated Notes will be inscribed with a legend conspicuously indicating that payment thereof is subordinated to the claims of Lender pursuant to the terms of this Agreement. Any other instrument, agreement or other document evidencing any of the Subordinated Debt, or any portion thereof, shall state that it is subject to this Subordination Agreement.

10. Transfer: Change in Terms. Holder agrees not to sell, assign, pledge, encumber or otherwise dispose of any of the Subordinated Debt.

11. Term. This Agreement shall constitute a continuing agreement of subordination, and Lender may continue, without notice to Holder (except as provided in Section 12), to lend monies, extend credit and make other accommodations pursuant to the Loan Documents to or for the benefit of any Loan Party on the faith hereof and to which the Subordinate Debt shall be subordinate, and this Agreement shall be irrevocable by Holder until all Obligations shall have been paid and fully satisfied, and all financing arrangements between Lender and the Loan Party have been terminated. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by Lender upon the insolvency, bankruptcy or reorganization of any Loan Party or otherwise, all as though such payment had not been made.

12. Additional Agreements. Notices of Default and Amendments. Lender, at any time and from time to time, may enter into such agreement or agreements with any Loan Party as Lender may deem proper, increasing, extending the time of payment of or renewing or otherwise altering the terms of all or any of the Obligations or affecting the security underlying any or all of the Obligations, or may exchange, sell, release, surrender or otherwise deal with any such security, without in any way impairing or affecting this Agreement thereby. Each of Holder and Lender agrees to use its reasonable efforts to give the other (a) copies of any notice of the occurrence or existence of any default or event of default sent to any Loan Party simultaneously with the sending of such notice to such Loan

Party, and (b) copies of any written amendment, modification or waiver of any of (i) the Loan Documents, in the case of Lender, and (ii) the instruments, documents and agreements executed in connection with the Subordinated Debt, in the case of the Holder.

13. Holder's Waiver. All of the Obligations shall be deemed to have been made or incurred in reliance upon this Agreement, and Holder expressly waives all notice of (a) the acceptance by Lender of the subordination and other provisions of this Agreement, (b) promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement and any requirement that Lender protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against any Loan Party or any other person or entity or the Collateral, and (c) all other notices whatsoever (other than required by Section 12 hereof). Holder agrees that Lender shall be entitled to manage and supervise its loans to the Loan Party in accordance with its usual practices, modified from time to time as it deems appropriate under the circumstances, without regard to the existence of any rights that Holder may now or hereafter have in or to any of the assets or properties of any Loan Party, and that Lender shall have no liability to Holder for, and Holder waives any claim which it may now or hereafter have against Lender arising out of, any and all actions which Lender, without gross negligence or willful misconduct, takes or omits to take (including, without limitation, actions with respect to the creation, perfection or continuation of Liens or security interest in the Collateral, actions with respect to the occurrence of an Event of Default, actions with respect to the foreclosure upon, sale of, release of, depreciation of or failure to realize upon, any of the Collateral and actions with respect to the collection of any claim for all or any part of the Obligations from any account debtor, guarantor or any other party) with respect to the Loan Documents or to the collection of the Obligations or the valuation, use, protection or release of the Collateral; provided, however, that nothing contained in this Section 13 shall constitute a waiver or release of or limitation on Lender's duty to act in a "commercially reasonable" manner with regard to the Collateral to the extent Lender is required to do so under the Uniform Commercial Code upon and after a default.

14. Lender Waivers. No waiver shall be deemed to be made by Lender of any of its rights hereunder, unless the same shall be in writing signed on behalf of Lender and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of Lender or the obligations of Holder to Lender in any other respects at any other time.

15. Representations and Warranties. Holder hereby represents and warrants to Lender as follows:

(a) Holder is a duly organized and existing corporation under the laws of the State of Alabama.

(b) This Agreement constitutes the valid and legally binding obligations of Holder, enforceable in accordance with its terms (except that enforceability may be limited by bankruptcy, insolvency and other laws affecting creditors' rights generally), and no consent or approval of any other party and no consent, license, approval or authorization of any governmental authority, bureau or agency is required in connection with the execution, delivery, performance, validity and enforceability of this Agreement; and

(c) A true, correct and complete copy of all instruments, agreements and other documents executed by any Loan Party evidencing, securing or otherwise relating to the Subordinated Debt is attached hereto as Exhibit A.

16. Litigation EACH OF LENDER AND HOLDER HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT IN WHICH ANY ACTION MAY BE COMMENCED BY OR AGAINST HOLDER OR LENDER ARISING OUT OF THIS AGREEMENT. EACH SUCH PARTY ACKNOWLEDGES THAT SUCH WAIVER IS MADE WITH FULL KNOWLEDGE AND UNDERSTANDING OF THE NATURE OF THE RIGHTS AND BENEFITS WAIVED HEREBY, AND WITH THE BENEFIT OF ADVICE OF COUNSEL OF US CHOOSING.

17. Governing Law. This Agreement has been delivered and accepted in and shall be deemed to have

been made in Alabama, and shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the laws and decisions of the State of Alabama, excluding conflict of laws principles.

18. Parties. This Agreement shall be binding upon, and shall inure to the benefit of, Lender, its successors and assigns and Holder's successors and assigns.

19. Specific Enforcement. Lender is hereby authorized to demand specific performance of this Agreement at any time when Holder shall have failed to comply with any of the provisions of this Agreement. Holder hereby irrevocably waives any defense based on the adequacy of a remedy at law, which might be asserted as a bar to such remedy of specific performance.

20. Section Titles. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

21. Notices. All notices, requests, demands and other communications hereunder shall be in writing, shall be effective upon receipt, and shall be delivered by hand, or mailed by registered or certified mail, return receipt requested, first class postage prepaid, Federal Express or other reputable overnight courier service, and in each case, addressed (or sent) as follows:

If to Holder:

Attention: _____
Facsimile: _____

With copy to:

Attention: _____
Facsimile: _____

If to Loan Party:

Attention: _____
Facsimile: _____

With copy to:

Attention: _____
Facsimile: _____

If to Lender:

NATIONAL CANADA FINANCE CORPORATION
200 Galleria Parkway, Suite 200
Atlanta, Georgia 30339
Attention: William L. Benning
Facsimile: (770) 980-9531

With copy to:

Attention: _____
Facsimile: _____

Any party hereto may change its address specified for notices herein by designating a new address by notice in accordance with this Section 21.

LENDER:

By:

Name:
Date:
Title

HOLDER:

_____, a _____

By:

Name:
Date:
Title: