

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

In Re:)	Chapter 11
BRUNO'S SUPERMARKETS, LLC,)	Case No. 09-00634-BGC
Debtor.)	

ORDER (1) AUTHORIZING DEBTOR-IN-POSSESSION TO OBTAIN INTERIM FINANCING, GRANT SECURITY INTERESTS AND ACCORD PRIORITY STATUS PURSUANT TO 11 U.S.C. §§ 361, 364(c) AND 364(d); (2) AUTHORIZING DEBTOR TO USE CASH COLLATERAL PURSUANT TO 11 U.S.C. §§ 361 AND 363; (3) GIVING NOTICE OF FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(b)(2) AND (c)(2); AND (4) MODIFYING AUTOMATIC STAY

This matter is before the Court on the Motion (the "*Motion*") (Docket No. 14 and Docket No. 31) of Bruno's Supermarkets, LLC, an entity organized under the laws of the State of Delaware, as debtor and debtor-in-possession in the above-captioned Chapter 11 case (the "*Debtor*"), requesting entry of an order (1) authorizing Debtor to obtain financing and other extensions of credit, grant security interests and liens and accord superpriority claim status pursuant to Sections 361, 364(c) and 364(d)(1) of Title 11 of the United States Code (the "*Bankruptcy Code*"); (2) authorizing Debtor to use cash collateral pursuant to Section 363 of the Bankruptcy Code; (3) giving notice of a final hearing pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2); and (4) modifying the automatic stay.

Based upon the Court's review of the Motion and all matters brought to the Court's attention at the interim hearing, which was held on February 6 and 9, 2009, pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2) (the "*Interim Hearing*"), and after due deliberation and consideration, the Court makes the following findings of fact and conclusions of law applicable to the financing sought by Debtor, which was originally sought from Bi-Lo LLC but which is

now sought from Regions Bank ("*Regions*"; and as post-petition lender, the "*DIP Lender*") based upon negotiations prior to and at the Interim Hearing (to the extent any findings of fact constitute conclusions of law, they are adopted as such, and *vice versa*):

THE COURT HEREBY FINDS AND DETERMINES:

A. Petition Date. On February 5, 2009 (the "*Petition Date*"), Debtor filed with the Court its voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code and is continuing to manage its properties and to operate its business as debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed herein.

B. Nature of Business. Debtor is the owner and operator of a chain of supermarkets located in the States of Alabama and Florida.

C. Pre-Petition Debt. Debtor has acknowledged* that, as of the Petition Date, Debtor was indebted to Regions as Debtor's pre-petition lender (in such capacity, the "*Pre-Petition Lender*") in the approximate principal amount of \$10,078,000 for revolver loans (the "*Pre-Petition Loans*"; the Pre-Petition Loans, together with all other liabilities and obligations of Debtor to Pre-Petition Lender, including, without limitation all contingent obligations in respect of indemnities, guaranties and other payment assurances given by Pre-Petition Lender for the benefit of Debtor, any debt arising out of or relating to any depository or other cash management services or other products or services provided by Pre-Petition Lender to or for the benefit of Debtor, and all interest, fees, legal expenses and other amounts heretofore or hereafter accruing on any obligation or at any time chargeable to Debtor in connection with any liabilities or obligations, are referred to as the "*Pre-Petition Debt*"); the Pre-Petition Debt is evidenced and

* All acknowledgements of Debtor referred to in this Order were made in the Motion or at the Interim Hearing, or by Debtor's acquiescence in the entry of this Order.

governed in part by a certain Loan and Security Agreement dated as of July 28, 2008, between Pre-Petition Lender and Debtor, a copy of which may be reviewed at the offices of Debtor's counsel (hereinafter, together with all amendments thereto and modifications thereof, the "*Pre-Petition Loan Agreement*"); and the Pre-Petition Debt is due and owing to Pre-Petition Lender without any defense, offset, recoupment or counterclaim.

D. Regions Pre-Petition Liens. As security for the payment of all Pre-Petition Debt, Debtor granted to Pre-Petition Lender pursuant to the Pre-Petition Loan Agreement and related documents (collectively, and including certain forbearance agreements related thereto, the "*Pre-Petition Loan Documents*"), security interests in and liens upon all or substantially all of Debtor's real and personal property, including, without limitation, all of Debtor's accounts, inventory, equipment, general intangibles, chattel paper, documents, instruments, investment property, letter-of-credit rights, deposit accounts, and certain real property located in Jefferson, Shelby, and Etowah Counties, Alabama (all such real and personal property, as the same existed on the Petition Date, together with all cash and non-cash proceeds thereof, being hereinafter referred to as the "*Pre-Petition Collateral*"). Debtor has stipulated that the security interests and liens granted by Debtor to Pre-Petition Lender pursuant to the Pre-Petition Loan Documents (the "*Regions Pre-Petition Liens*") are legal, valid, enforceable and duly perfected security interests in and liens upon the Pre-Petition Collateral.

E. Guarantor. LSF5 Bruno's Investments, LLC, the parent company of Debtor ("*Guarantor*"), has guaranteed the payment of all "Obligations" under (and as defined in) the Pre-Petition Loan Agreement and granted Regions a security interest in all its assets to secure its guaranty obligation.

F. Need for Financing. An immediate need exists for Debtor to obtain financing and use the cash proceeds of the Collateral (as defined below) (the "Cash Collateral") to continue the operation of its business as debtor-in-possession under Chapter 11 of the Bankruptcy Code and to minimize disruption of Debtor's business. Despite diligent efforts, Debtor has been unable to obtain financing in the form of unsecured credit allowable under Section 503(b)(1) of the Bankruptcy Code as an administrative expense or solely in exchange for the grant of a special administrative expense priority pursuant to Section 364(c)(1) of the Bankruptcy Code; and other than the financing from DIP Lender pursuant to this Order and the DIP Financing Documents (as hereinafter defined) and the financing that was proposed by Bi-Lo LLC, Debtor is unable to obtain financing in the form of credit secured by liens that are junior to existing liens on property of the estate pursuant to Sections 364(c)(2) and (c)(3) of the Bankruptcy Code.

G. Proposed Interim DIP Facility. For use during the period between the date of this Order and the entry of a final order by the Court authorizing post-petition financing for Debtor (the "*Interim Period*"), Debtor has requested DIP Lender to establish a secured revolving credit facility in favor of Debtor (the "*Interim DIP Facility*") pursuant to which Debtor may obtain loans from time to time ("*DIP Loans*") during the Interim Period, in an aggregate principal amount up to \$4,000,000 outstanding at any time, secured by all real and personal property of Debtor, wherever located and whether arising prior to or after the Petition Date.

H. Certain Conditions to Interim DIP Facility. DIP Lender is willing to establish the Interim DIP Facility, upon the terms and conditions set forth herein and in that certain Revolver Note executed by Debtor in favor of DIP Lender, substantially in the form attached hereto. DIP Lender's willingness to make DIP Loans and other extensions of credit (collectively, the "*Credit Extensions*") is conditioned upon, among other things, (i) Debtor obtaining Court approval of a

certain Revolver Note to be executed by Debtor in favor of DIP Lender and Credit Extensions hereunder; (ii) Debtor's provision of adequate protection for Pre-Petition Lender's interests in the Pre-Petition Collateral pursuant to Sections 361 and 363 of the Bankruptcy Code; and (iii) DIP Lender receiving, as security for the prompt payment of all DIP Obligations (as hereinafter defined), a security interest in and lien upon all of Debtor's pre-petition and post-petition assets (both real and personal), including, without limitation, all of Debtor's cash, accounts, inventory, equipment, real property, fixtures, general intangibles, documents, instruments, chattel paper, deposit accounts, letter-of-credit rights, commercial tort claims, investment property, leasehold interests, and books and records relating to any assets of Debtor and all proceeds (including insurance proceeds) of the foregoing, whether now in existence or hereafter created, acquired or arising and wherever located (all such real and personal property, including, without limitation, all Pre-Petition Collateral, being collectively hereinafter referred to as the "*Collateral*"), and that such security interests and liens have the priority hereinafter set forth; provided, however, that the Collateral shall not include Avoidance Claims or Avoidance Proceeds (as those terms are defined below).

I. Interim Hearing; Budget. Pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2), Debtor has requested in the Motion that the Court hold the Interim Hearing to consider authorizing Debtor (i) to obtain, on an interim basis, DIP Loans for purposes specified in the Debtor's cash budget annexed to the Motion (as at any time amended with the written consent of DIP Lender, the "*Budget*") and (ii) to use Cash Collateral as hereinafter set forth.

J. Service of Motion. Debtor has certified that copies of the Motion (together with a copy of the Budget annexed thereto) and notice of the Interim Hearing have been served by electronic mail, telecopy transmission, hand delivery, overnight courier or first class United

States mail upon the Bankruptcy Administrator (the "*Bankruptcy Administrator*"), counsel for the Pre-Petition Lender, the 20 largest creditors of the Debtor and certain other interested parties. The Court finds that notice of the Motion, as it relates to this Order, is sufficient for all purposes under the Bankruptcy Code and the Bankruptcy Rules, including, without limitation, Sections 102(1) and 364 of the Bankruptcy Code and Bankruptcy Rule 4001(b) and (c).

K. Finding Cause. Good cause has been shown for the entry of this Order and authorization for Debtor to use Cash Collateral and to obtain Credit Extensions pursuant to the terms herein and the Revolver Note as hereinafter provided pending a final hearing on the Motion pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2) (the "*Final Hearing*"). Debtor's need for financing of the type afforded by this Order and the Revolver Note is immediate and critical. Entry of this Order will minimize disruption of Debtor's business and operation, will preserve the assets of Debtor's estate and their value and is in the best interests of Debtor, its creditors and its estate. The terms of the proposed financing and Debtor's use of Cash Collateral appear fair and reasonable, reflect Debtor's exercise of business judgment and are supported by reasonably equivalent value and fair consideration.

L. Finding of Good Faith. Based upon the pleadings and the record presented at the Interim Hearing, the proposed terms of the Interim DIP Facility have been negotiated in good faith and at arm's length between Debtor, on the one hand, and Pre-Petition Lender and DIP Lender (collectively, in their respective capacities, the "*Lenders*"), on the other. Therefore, all Credit Extensions to Debtor pursuant to the Revolver Note shall be deemed to have been made in good faith within the meaning of Section 364(e) of the Bankruptcy Code.

M. Jurisdiction; Core Proceeding. This Court has jurisdiction to enter this Order pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding, as defined in 28 U.S.C. § 157(b)(2).

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED, as follows:

1. Grant of Motion; Authorization of Interim Financing. The Motion is hereby GRANTED and the Court hereby authorizes and approves (i) the Debtor's execution and delivery of the Revolver Note and all other instruments, security agreements, assignments, pledges, mortgages, reaffirmations and other documents referred to therein or requested by DIP Lender to give effect to the terms thereof (the Revolver Note and such other instruments, security agreements, assignments and other documents, as at any time amended, being collectively called the "*DIP Financing Documents*"); (ii) the Debtor's obtaining DIP Loans and other Credit Extensions in accordance with this Order and the Revolver Note from time to time up to an aggregate principal amount outstanding at any time of \$4,000,000, plus interest, fees and other charges payable in connection therewith, and to incur any and all liabilities and obligations thereunder and to pay all principal, interest, fees, expenses and other obligations provided for under the DIP Financing Documents; and (iii) the Debtor's satisfying all conditions precedent and perform all obligations hereunder and thereunder in accordance with the terms hereof and thereof; provided, however, that, pending the Final Hearing and subject to all of the terms and conditions in the DIP Financing Agreement, Debtor may obtain Credit Extensions and may use Cash Collateral as herein provided during the Interim Period only to the extent necessary to avoid immediate and irreparable harm to Debtor, which, for purposes hereof, shall mean proceeds of DIP Loans and Cash Collateral used (i) to pay the fees and expenses due and

amounts owing by Debtor at any time to DIP Lender under the DIP Financing Documents, (ii) for purposes specified in the Budget not to exceed 110% of the aggregate expenditures reflected in the Budget for the Interim Period (excluding from the calculation thereof those professional fees not allowed by the Court to be paid during the Interim Period) and (iii) any quarterly fees owed to the Bankruptcy Administrator. Debtor may request DIP Loans on any business day, pursuant to such reasonable procedures as Debtor and DIP Lender agree upon, but in no event shall the aggregate unpaid balance of DIP Loans outstanding on any given date exceed \$4,000,000 unless otherwise agreed by DIP Lender in its sole discretion. Notwithstanding anything to the contrary in this Order, (x) Debtor shall not be entitled to receive any DIP Loans or to use any Cash Collateral if Debtor's actual collections in any calendar week during the Interim Period are less than 90% of budgeted collections during such calendar week in the Interim Period, tested as of Saturday of each week, and (y) Debtor shall be obliged to use Cash Collateral that is available for such use prior to requesting any DIP Loan. DIP Lender shall not have any obligation or responsibility to monitor Debtor's use of the DIP Loans and may rely upon Debtor's representations that the amount of Credit Extensions requested at any time, and the use thereof, are in accordance with the requirements of this Order, the DIP Financing Documents and Bankruptcy Rule 4001(c)(2). Debtor's use of proceeds of the DIP Loans authorized under this Order shall not impair, release or alter the liability of Guarantor with respect to the Pre-Petition Debt or DIP Obligations (as hereinafter defined).

2. Execution, Delivery and Performance of DIP Financing Documents. Upon execution and delivery thereof, the DIP Financing Documents shall constitute valid and binding obligations of Debtor, enforceable against Debtor in accordance with their terms. In furtherance of the provisions of paragraph 1 of this Order, Debtor is authorized and directed to do and

perform all acts; to make, execute and deliver all instruments and documents (including, without limitation, the execution of security agreements, pledge agreements, mortgages, deeds of trust, deeds to secure debt, financing statements and intellectual property filings); to obtain from Guarantor reaffirmations, extensions, guaranties and security agreements to the extent required by the DIP Financing Documents; and to pay all filing and recording fees, in each case as may be necessary or, in the opinion of DIP Lender, desirable to give effect to any of the terms and conditions of the DIP Financing Documents, to validate the perfection of the DIP Liens (as defined below) or as otherwise required or contemplated by the DIP Financing Documents.

3. DIP Liens. All Credit Extensions, together with all other liabilities or obligations of Debtor to DIP Lender, including, without limitation, all contingent obligations in respect of indemnities, guaranties and other payment assurances given by DIP Lender for the benefit of Debtor, all depository or other cash management services or other products or services provided by DIP Lender to or for the benefit of Debtor, and all interest, fees and other charges (including, without limitation, reasonable legal fees) at any time or times payable by Debtor to DIP Lender (collectively, the "*DIP Obligations*") shall be, and hereby are, secured by security interests and liens in favor of DIP Lender with respect to all of the Collateral (collectively, the "*DIP Liens*"), with priority as follows:

(a) Unencumbered Collateral. Pursuant to Section 364(c)(2) of the Bankruptcy Code, perfected first priority senior security interests in and liens upon (i) all Collateral that, as of the Petition Date, is not subject to valid, perfected and non-avoidable liens or to valid and unavoidable liens in existence on the Petition Date that are perfected thereafter (with a priority that relates back to a date prior to the Petition Date), as permitted by Section 546(b) of the Bankruptcy Code, and (ii) all Collateral (other than

direct proceeds of Pre-Petition Collateral that are subject to valid, perfected and non-avoidable pre-petition liens) that is created, acquired or arises after the Petition Date; and

(b) Encumbered Collateral. Pursuant to Section 364(c)(3) of the Bankruptcy Code, perfected junior security interests in and liens upon all Collateral that is subject to valid, perfected and non-avoidable liens in existence on the Petition Date or to valid and unavoidable liens in existence on the Petition Date that are perfected thereafter (with a priority that relates back to a date prior to the Petition Date), as permitted by Section 546(b) of the Bankruptcy Code; and

(c) Extent of Priming DIP Lien. Pursuant to Section 364(d) of the Bankruptcy Code, and notwithstanding paragraph 3(b) hereof to the contrary, the DIP Liens shall on all Collateral be senior in priority to the Regions Pre-Petition Liens and the Replacement Liens (as hereinafter defined).

Notwithstanding the foregoing provisions of this paragraph 3 or anything to the contrary in the DIP Financing Documents, the DIP Liens shall not attach to any of the following property (unless Debtor shall grant or consent to any lien or security interest therein in favor of any other party, in which event all such property shall be subject to the DIP Liens): (x) any claims pursuant to Sections 502(d), 544, 545, 547, 548, 549, 550, 551 or 553 of the Bankruptcy Code (the "*Avoidance Claims*") or (y) any proceeds or property recovered in connection with the successful prosecution or settlement of Avoidance Claims (the "*Avoidance Proceeds*").

4. Superpriority Claim; Surcharge.

(a) Scope of Superpriority Claim. All DIP Obligations shall have administrative priority in accordance with, and shall constitute an allowed superpriority claim (the "*Superpriority Claim*") pursuant to, Section 364(c)(1) of the Bankruptcy Code over all other

administrative expenses in Debtor's case of the kind specified in, or ordered pursuant to, Sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(e), 507(a), 507(b), 546(c), 726 or 1114 of the Bankruptcy Code.

(b) No Surcharge. No costs or administrative expenses that have been or may be incurred in this Chapter 11 case, in any matters or proceedings related hereto or in any superseding Chapter 7 case and no priority claims are or will be prior to or on a parity with the Superpriority Claim of DIP Lender for the DIP Obligations under the Interim DIP Facility. In no event shall any costs or expenses of administration be imposed upon DIP Lender or any of the Collateral pursuant to Section 506(c) of the Bankruptcy Code or otherwise without the prior written consent of DIP Lender, and no such consent shall be implied from any action, inaction or acquiescence by DIP Lender.

5. Repayment. The DIP Obligations shall be due and payable, and shall be paid, as and when provided in the DIP Financing Documents and as provided herein, without offset or counterclaim. In no event shall Debtor be authorized to offset or recoup any amounts owed, or alleged owed, by either DIP Lender to Debtor or any of its subsidiaries or affiliates against any of the DIP Obligations unless and to the extent expressly otherwise agreed to in writing by DIP Lender.

6. Permitted Uses of Cash Collateral.

(a) Debtor shall be authorized to use Cash Collateral in such amounts and for such purposes as Debtor is permitted to use proceeds of DIP Loans pursuant to the terms of this Order and the DIP Financing Documents, provided that Cash Collateral shall in all events be turned over to DIP Lender for application to the DIP Obligations as and to the extent required by the Revolver Note or this Order.

(b) Except as otherwise set forth in the proviso in subparagraph (a) of this paragraph 6, Debtors shall cause all proceeds of the Collateral to be remitted to a lockbox designated by DIP Lender, but if any such proceeds are received by Debtor, the same shall be promptly deposited to a dominion account or concentration account at DIP Lender, in accordance with the prior practice of the parties and subject to the terms of the Order entered by the Court with respect to Debtor's cash management procedures. DIP Lender shall be authorized to apply all such proceeds (subject to final payment or collection in the case of checks or other payment items) to the DIP Obligations in accordance with the DIP Financing Documents. Prior to the remittance to DIP Lender of any proceeds of Collateral required to be remitted to DIP Lender by this Order, Debtor shall be deemed to hold such proceeds in trust for the benefit of DIP Lender.

7. Adequate Protection of Pre-Petition Lender. As adequate protection pursuant to Sections 361 and 363 of the Bankruptcy Code for Debtor's use, consumption, sale, collection or other disposition of any of the Pre-Petition Collateral (including the Cash Collateral), the following measures of adequate protection are granted:

(a) Replacement Liens. Pre-Petition Lender is hereby granted replacement liens in and to all of the Collateral (the "*Replacement Liens*") as partial adequate protection to Pre-Petition Lender to the extent of any diminution in value of the Pre-Petition Collateral caused by Debtor's use, consumption, sale, collection or other disposition of any Pre-Petition Collateral.

(b) Reservation of Rights. Nothing herein shall be deemed to be a waiver by Pre-Petition Lender of its right to request additional or further protection of its interests in any Pre-Petition Collateral, to move for relief from the automatic stay, to seek the appointment of a trustee or examiner or the conversion or dismissal of this Chapter 11 case, or to request any other relief in this case; nor shall anything herein or in any of the DIP Financing Documents constitute

an admission by Lenders of the quantity, quality or value of any Collateral securing the Pre-Petition Debt or DIP Obligations or constitute a finding of adequate protection with respect to the interests of Lenders in any Collateral. Pre-Petition Lender shall be deemed to have reserved all rights to assert entitlement to the protections and benefits of Section 507(b) of the Bankruptcy Code in connection with any use, sale or other disposition of any of the Collateral, to the extent that the protection afforded by this Order to Pre-Petition Lender's interests in any Collateral proves to be inadequate.

8. Preservation of Rights Granted Under This Order.

(a) Protection From Subsequent Financing Order. There shall not be entered in this Chapter 11 case or in any successor case any order that authorizes the obtaining of credit or the incurrence of indebtedness by Debtor (or any trustee or examiner) that is (i) secured by a security, mortgage or collateral interest or lien on all or any part of the Collateral that is equal or senior to the DIP Liens or (ii) entitled to priority administrative status that is equal or senior to the Superpriority Claim granted to DIP Lender herein; provided, however, that nothing herein shall prevent the entry of an order that specifically provides that, as a condition to the granting of the benefits of clauses (i) or (ii) above, all of the DIP Obligations must be indefeasibly paid in full, in cash, from the proceeds of such credit or indebtedness.

(b) Rights Upon Dismissal, Conversion or Consolidation. If this Chapter 11 case is dismissed, converted or substantively consolidated with another case, then neither the entry of this Order nor the dismissal, conversion or substantive consolidation of this Chapter 11 case shall affect the rights or remedies of DIP Lender under the DIP Financing Documents or the rights or remedies of Lenders under this Order, and all of the respective rights and remedies thereunder of Lenders shall remain in full force and effect as if this Chapter 11 case had not been

dismissed, converted, or substantively consolidated. It shall constitute an Event of Default if Debtor seeks, or if there is entered, any order dismissing this Chapter 11 case. If an order dismissing this Chapter 11 case is at any time entered, such order shall provide (in accordance with Sections 105 and 349 of the Bankruptcy Code) that (i) the DIP Liens, Replacement Liens and Superpriority Claim granted to and conferred upon Lenders shall continue in full force and effect and shall maintain their priorities as provided in this Order (and that such liens and Superpriority Claim shall, notwithstanding such dismissal, remain binding on all interested parties) and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purpose of enforcing the DIP Liens, Replacement Liens and Superpriority Claim.

(c) Survival of Order. The provisions of this Order, and any actions taken pursuant hereto, shall survive the entry of and shall govern with respect to any conflict with any order that may be entered confirming any plan of reorganization or converting this Chapter 11 case from Chapter 11 to Chapter 7.

(d) No Discharge Under Plan. The DIP Obligations shall not be discharged by the entry of any order confirming a plan of reorganization in this Chapter 11 case and, pursuant to Section 1141(d)(4) of the Bankruptcy Code, Debtor has waived such discharge.

(e) No Marshaling. In no event shall DIP Lender be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to any Collateral securing any of the DIP Obligations; and in no event shall any DIP Liens be subject to any pre-petition or post-petition lien or security interest that is avoided and preserved for the benefit of Debtor's estate pursuant to Section 551 of the Bankruptcy Code.

9. Automatic Perfection of Liens. The DIP Liens and Replacement Liens shall be deemed valid, binding, enforceable and perfected upon entry of this Order. DIP Lender shall not

be required to file any UCC-1 financing statements, mortgages, deeds of trust, security deeds, notices of lien or any similar document or take any other action (including possession of any of the Collateral) in order to validate the perfection of the DIP Liens. If DIP Lender shall, in its discretion, choose to file any such mortgages, deeds of trust, security deeds or UCC-1 financing statements, or take any other action to validate the perfection of any part of the DIP Liens, Debtor and its respective officers are directed to execute any documents or instruments as DIP Lender shall reasonably request, and all such documents and instruments shall be deemed to have been filed or recorded at the time and on the date of entry of this Order. DIP Lender may, in its discretion, file a certified copy of this Order in any filing office in any jurisdiction in which Debtor is organized or has or maintains any Collateral or an office, and each filing office is directed to accept such certified copy of this Order for filing and recording.

10. Reimbursement of Expenses. All reasonable costs and expenses incurred by DIP Lender in connection with the negotiation and drafting of the DIP Financing Documents, or any amendments thereto, the preservation, perfection, protection and enforcement of DIP Lender's rights hereunder or under the DIP Financing Documents, or in the collection of the DIP Obligations, including, without limitation, all filing and recording fees and reasonable fees and expenses of attorneys, accountants, appraisers and other professionals incurred by DIP Lender in connection with any of the foregoing, whether any of the foregoing were incurred prior to or after the Petition Date, shall form a part of the DIP Obligations and shall be paid by Debtor (without the necessity of filing any application with or obtaining further order from the Court) at such time as Debtor is obligated to pay all amounts owed under the Revolver Note, it being expressly recognized that such fees and expenses are in addition to and do not otherwise limit the

aggregate amount of DIP Loans that may be outstanding on any day under the Interim DIP Facility (to-wit, \$4,000,000).

11. Amendments to DIP Financing Documents and Budget. Debtor and DIP Lender are hereby authorized to implement, in accordance with the terms of the DIP Financing Documents and without further order of the Court, any amendments to and modifications of any of the DIP Financing Documents provided that: (i) the amendment or modification must not constitute a material change to the terms of the DIP Financing Documents, (ii) copies of the amendment or modification must be served upon counsel for the Committee (and, prior to the appointment of a Committee, upon Debtor's 20 largest unsecured creditors), the Bankruptcy Administrator, and other interested parties specifically requesting such notice, and (iii) notice of the amendment is filed with the Court. Any amendment or modification that constitutes a material change, to be effective, must be approved by the Court (and, for purposes hereof, a "material change" shall mean a change that operates to shorten the Interim DIP Facility or the maturity of the DIP Obligations, increase the aggregate amount of the commitment under the Interim DIP Facility, increase the rate of interest other than as currently provided in or contemplated by the DIP Financing Documents, add specific events of default, or enlarge the nature and extent of default remedies available to DIP Lender following an event of default). On notice to the Bankruptcy Administrator, Debtor and DIP Lender may amend the Budget.

12. Events of Default; Remedies.

(a) Events of Default and Remedies. The occurrence or existence of any one or more of the following events or conditions shall constitute an "Event of Default" hereunder: (i) the failure of Debtor duly and punctually to observe, perform or discharge any obligation or duty imposed upon them by this Order or any of the DIP Financing Documents; (ii)

the appointment in this Chapter 11 case of a trustee or an examiner with expanded powers (powers beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code; (iii) the dismissal or conversion to Chapter 7 of this Chapter 11 case; (iv) the filing of a motion by Debtor to convert this Chapter 11 case to a case under Chapter 7 of the Bankruptcy Code or to dismiss this Chapter 11 case; (v) this Order is altered, amended, vacated, supplemented, modified, stayed or reversed on appeal or Debtor shall file any motion to alter, amend, vacate, supplement or modify this Order without DIP Lender's prior consent; (vi) relief from stay shall be granted to allow a creditor to foreclose upon any Collateral consisting of accounts or inventory or with respect to any other Collateral having an aggregate book value in excess of \$100,000 and in which Pre-Petition Lender has a first priority lien; or (vii) Debtor's rejection of that certain Bruno's Interim Supply Agreement dated as of March 23, 2007, between Debtor and C&S Wholesale Grocers, Inc. ("C&S") as at any time amended, modified, restated or supplemented (the "*Bruno's Supply Agreement*") and at the time of such rejection Debtor has not obtained an agreement with an alternative supplier providing for volume commitments and pricing on substantially the same or better terms than those contained in the Bruno's Supply Agreement. Upon any such Event of Default, DIP Lender shall be fully authorized, in its sole discretion, to terminate further Credit Extensions under the Interim DIP Facility to terminate the use of Cash Collateral, to demand payment of all DIP Obligations, to hold any balances in any accounts of Debtor, and, upon five (5) business days prior written notice to counsel for Debtor, counsel for the Committee (or, prior to the appointment of the Committee, upon Debtor's 20 largest creditors) and the Bankruptcy Administrator, Lenders may, upon expiration of the notice period set forth above, enforce the DIP Liens, Regions Pre-Petition Liens and Replacement Liens with respect to the Collateral, effect offsets of bank account

balances and take all other actions and exercise all other remedies under the DIP Financing Documents, the Pre-Petition Loan Documents, and applicable law that may be necessary or deemed appropriate by Lenders to collect any of the DIP Obligations or Pre-Petition Debt, proceed against or realize upon all or any portion of the Collateral as if this Chapter 11 case or any superseding Chapter 7 case was not pending, and otherwise enforce this Order, the DIP Financing Documents, and the Pre-Petition Loan Documents.

(b) Application of Collateral Proceeds. Notwithstanding any contrary provision contained in this Order (including, without limitation, any contrary provision contained in paragraph 7 of this Order), if DIP Lender shall proceed to enforce its DIP Liens in respect of any Collateral, then DIP Lender may, in its discretion, elect to apply all proceeds of the Collateral (including, without limitation, proceeds of Pre-Petition Collateral) to the payment of the DIP Obligations before any application of such proceeds is made to any unpaid balance of Pre-Petition Debt.

(c) Rights Cumulative. The rights, remedies, powers and privileges conferred upon Lenders pursuant to this Order shall be in addition to and cumulative with those contained in the DIP Financing Documents and the Pre-Petition Loan Documents.

13. Monitoring and Reporting.

(a) Inspection Rights. Representatives of Lenders shall be authorized to visit the business premises of Debtor during normal business hours and upon reasonable notice to (i) inspect any Collateral or other assets, (ii) inspect and make copies of any books and records of Debtor, and (iii) verify or obtain supporting details concerning the financial information to be provided to Lenders hereunder or under any of the DIP Financing Documents or Pre-Petition Loan Documents.

(b) DIP Lender's Right to Retain Professional Persons. DIP Lender shall be authorized to retain appraisers, consultants and auditors, at Debtor's expense (subject to Court approval of the reasonableness of the fees and expenses of such persons), which appraisers, consultants and auditors shall be afforded reasonable access to the Collateral and Debtor's business premises, during normal business hours, for purposes of monitoring the business of Debtor, verifying Debtor's compliance with the terms of the DIP Financing Documents, this Order and the Pre-Petition Loan Documents, and appraising all or any part of the Collateral; provided, however, that DIP Lender shall share with Debtor copies of any appraisals or field examinations performed by third parties engaged by DIP Lender after the Petition Date.

(c) Borrowing Base Certificates; Appraisals. Debtor shall continue to provide Pre-Petition Lender with weekly Borrowing Base Certificates under, and as required by, the Pre-Petition Loan Agreement for monitoring purposes and weekly sales summaries and cash flow forecasts consistent with Debtor's practice prior to the Petition Date. Debtor shall share with DIP Lender copies of any appraisals performed by third parties engaged by Debtor after the Petition Date.

14. Provisions Regarding C&S. In consideration of C&S's support of Debtor in this chapter 11 case, Debtor shall timely pay all amounts due and payable to C&S for post-petition purchases from C&S, as stipulated by Debtor on the record at the Interim Hearing, and more specifically under the following terms and conditions and otherwise in accordance with the terms of the Bruno's Supply Agreement with respect to all post-petition shipments or services: each Monday (or the next business day if DIP Lender is closed on a specific Monday), Debtor will make a wire transfer in the amount of \$3,250,000 toward the weekly statement amount; and each Wednesday, Debtor will make a second wire transfer in an amount equal to the remaining

balance of the weekly statement amount (i.e. - the weekly statement amount less the amount received by C&S previously that week). All wires are to be received by C&S by 2 p.m. (Eastern Time) on the day such payments are due. In addition, under no circumstances shall the issuance of a Default LC (as defined in the Bruno's Supply Agreement) for the benefit of C&S result in a modification of the payment terms set forth above. Nothing in this paragraph, however, shall (i) supersede, override or modify any other provision in this Order that limits or conditions the right of Debtor to obtain DIP Loans or to use the proceeds thereof or of any Cash Collateral or (ii) impose upon DIP Lender any liability or responsibility for Debtor's failure to make any payment to C&S as required herein.

15. Modification of Automatic Stay. The automatic stay provisions of Section 362 of the Bankruptcy Code are hereby lifted and terminated as to Lenders to the extent necessary to implement the provisions of this Order and the DIP Financing Documents, thereby permitting DIP Lender to receive collections of Collateral for application to the DIP Obligations as provided herein, to file or record any UCC-1 financing statements, mortgages, deeds of trust, security deeds and other instruments and documents evidencing or validating the perfection of the DIP Liens or Replacement Liens, and to enforce the DIP Liens, Regions Pre-Petition Liens and Replacement Liens as and to the extent authorized by this Order.

16. Effect of Appeal. Consistent with 11 U.S.C. § 364(e), if any or all of the provisions of this Order are hereafter modified, vacated or stayed on appeal:

(a) such stay, modification or vacation shall not affect the validity of any obligation, indebtedness, liability or DIP Liens granted or incurred by Debtor to DIP Lender prior to the effective date of such stay, modification or vacation, or the validity, enforceability or

priority of any DIP Liens, priority or right authorized or created under the original provisions of this Order or pursuant to the DIP Financing Documents; and

(b) any indebtedness, obligation or liability incurred by Debtor to DIP Lender under the DIP Financing Documents prior to the effective date of such stay, modification or vacation shall be governed in all respects by the original provisions of this Order, and DIP Lender shall be entitled to all the rights, remedies, privileges and benefits, including the DIP Liens and priorities granted herein and pursuant to the DIP Financing Documents, with respect to any such indebtedness, obligation or liability. All Credit Extensions under the DIP Financing Documents are made in reliance upon this Order, and, therefore, the indebtedness resulting from such Credit Extensions prior to the effective date of any stay, modification or vacation of this Order cannot (i) be subordinated, (ii) lose the priority of the DIP Liens or Superpriority Claim status, or (iii) be deprived of the benefit of the status of the DIP Liens and Superpriority Claim granted to DIP Lender under this Order or the DIP Financing Documents, as a result of any subsequent order in this Chapter 11 case, or any superseding case, of Debtor.

17. Service of Order. Promptly after the entry of this Order, Debtor shall mail, by first class mail, a copy of this Order, the Motion (and all exhibits attached to the Motion), and a notice of the Final Hearing, to counsel for Lenders, the Bankruptcy Administrator, counsel for the Committee (or, if the Committee has not been formed as of the entry of this Order, then the 20 largest unsecured creditors of Debtor), and all parties who have filed requests for notices under Rule 2002 of the Bankruptcy Rules, and shall file a certificate of service regarding same with the Clerk of the Court. Such service shall constitute good and sufficient notice of the Final Hearing.

18. No Deemed Control. By consenting to this Order, making Credit Extensions or administering the financing relationship with Debtor pursuant to the DIP Financing Documents, Lenders shall not be deemed to be in control of the Debtor or its operations or to be acting as a "responsible person," "managing agent" or "owner or operator" (as such terms are defined in the United States Comprehensive Environmental Response, Compensation and Liability Act, as amended, or any similar state or federal statute) with respect to the operation or management of Debtor.

19. Binding Effect; Successors and Assigns. The provisions of this Order shall be binding upon all parties in interest in this Chapter 11 case, including, without limitation, Lenders, and Debtor and their respective successors and assigns (including any Chapter 11 trustee hereafter appointed or elected for the estate of the Debtor or any Chapter 7 trustee appointed in a superseding Chapter 7 case), and shall inure to the benefit of Lenders, Debtor and their respective successors and assigns. In no event shall DIP Lender have any obligation to make Credit Extensions to any Chapter 7 or Chapter 11 trustee appointed or elected for the estate of Debtor.

20. Final Hearing. The Final Hearing shall be held at 9:00 a.m. prevailing Central time, on February 25, 2009, at Courtroom 4, Robert S. Vance Federal Building, 1800 Fifth Avenue North, Birmingham, Alabama. If no objection to the Motion or this Order is timely filed and asserted at the Final Hearing, then this Order shall continue in effect in accordance with its terms subject to such modifications as the Court may make at the Final Hearing and that are acceptable to DIP Lender. If any or all of the provisions of this Order are modified, vacated or stayed as the result of any objection timely filed and asserted at the Final Hearing, then, without limiting the provisions of paragraph 16 hereof, any DIP Obligations incurred prior to the

effective date of such modification, vacation or stay shall be governed in all respects by the original provisions of this Order, and DIP Lender shall be entitled to the protections afforded under Section 364(e) of the Bankruptcy Code and to all the rights, remedies, privileges, and benefits, including, without limitation, the DIP Liens and superiority claim status granted herein and pursuant to the DIP Financing Documents with respect to all such DIP Obligations.

21. Objection Deadline. If any party in interest shall have an objection to any of the provisions of this Order, such party shall be authorized to assert such objection at the Final Hearing, provided that a written statement setting forth the basis for such objection is filed with the Court, and concurrently served upon the Office of the Bankruptcy Administrator, 800 5th Avenue North, Suite 132, Birmingham, Alabama 35203; conflicts counsel for the Debtor, Najjar, Denaburg, PC, 2125 Morris Avenue, Birmingham, Alabama 35203 Attention: Charles Denaburg and Rita H. Dixon; counsel for Lenders, Parker Hudson Rainer & Dobbs LLP, 1500 Marquis Two Tower, 285 Peachtree Center Avenue, Atlanta, Georgia 30303, Attention: C. Edward Dobbs, Esq.; and co-counsel for Lenders, Maynard Cooper & Gale PC, 2400 Regions/Harbert Plaza, 1901 Sixth Avenue North, Birmingham, Alabama 35203, Attention: Jayna Partain Lamar, so that such objections and responses are filed on or before 5:00 p.m., prevailing Central time on February 20, 2009. Unless an objecting party shall be and appear at the Final Hearing to assert the basis for such objection before the Court, such objection shall be deemed to have been waived and abandoned by such objecting party. Nothing in the Order shall affect the right of the holder of any pre-petition claim to assert entitlement to administrative expense status for such claim pursuant to Section 503(b)(9) of the Bankruptcy Code.

SO ORDERED, this 9th day of February, 2009.

/s/Benjamin Cohen

BENJAMIN COHEN

United States Bankruptcy Judge

This order prepared by:
Rita Dixon for
Najjar Denaburg
205-250-8400

Bruno's Supermarkets, LLC

In Court (Close 10 Only Using Hilco Liquidation)

(Dollars in thousands)

Week Period	Assume Filing of 2/8																							
	5	6	7	8	9	10	11	12	13	14	15	16	FCAST	FCAST	FCAST	FCAST	FCAST							
2/7/2009													2/7/2009	2/14/2009	2/21/2009	2/28/2009	3/7/2009	3/14/2009	3/21/2009	3/28/2009	4/4/2009	4/11/2009	4/18/2009	4/25/2009

Net Operating Inflows	\$ 14,064	\$ 14,260	\$ 13,057	\$ 13,374	\$ 14,543	\$ 12,527	\$ 13,388	\$ 12,840	\$ 14,067	\$ 13,589	\$ 13,440	\$ 13,054
Liquidity Impacts												
3rd Party Advisory / Counsel Fees	\$ (315)	\$ (325)	\$ (325)	\$ (325)	\$ (400)	\$ (325)	\$ (325)	\$ (325)	\$ (365)	\$ (290)	\$ (290)	\$ (290)
Residual Liquidation Value after Store Closure					\$ 500							
Other Initiatives												
Lower Admin - \$2MM Annual	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
401k - \$7 Annual	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Initiatives / 3rd Party Fees	\$ (315)	\$ (273)	\$ (273)	\$ (273)	\$ (348)	\$ (273)	\$ (273)	\$ (273)	\$ (313)	\$ (238)	\$ (238)	\$ (238)
Total Inflows	\$ 13,749	\$ 13,987	\$ 12,784	\$ 13,101	\$ 14,195	\$ 12,754	\$ 12,115	\$ 12,567	\$ 13,754	\$ 13,351	\$ 13,202	\$ 12,816

Sales Tax Backlog Payments	(2,110)	-	-	-	-	-	-	-	-	-	-	-
December Taxes												
January Taxes												
Total Backlog Payments	\$ (2,110)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Key Disbursements:	(4,937)	(5,539)	(4,783)	(4,231)	(4,496)	(4,685)	(4,473)	(4,287)	(4,595)	(5,833)	(4,399)	(4,447)
C&S Payments *	(1,665)	(2,088)	(2,127)	(2,080)	(1,898)	(1,885)	(1,967)	(1,961)	(1,981)	(1,996)	(2,046)	(2,221)
DSD Payments *		(2,000)										
Est. Critical Vendor Payments	(750)	(856)	(838)	(868)	(833)	(790)	(741)	(747)	(850)	(757)	(775)	(769)
Cardinal Pharmacy Drugs *	(1,888)	(1,608)	(2,500)	(1,608)	(1,731)	(1,688)	(2,440)	(1,668)	(1,479)	(1,516)	(1,436)	(2,328)
Store Payroll	(1,235)	(1,338)	(2,420)	(1,754)	(1,627)	(1,572)	(1,535)	(1,669)	(1,621)	(1,562)	(1,562)	(1,560)
Utilities/Supplier/Misc *	(80)	(80)	(447)	(1,297)	(80)	(80)	(447)	(1,297)	(80)	(447)	(447)	(1,297)
Rent (incl. CAM, Insurance, Taxes)	(1,868)	(1,679)	(1,081)	(1,197)	(1,926)	(2,021)	(781)	(1,197)	(1,911)	(1,988)	(1,123)	(1,653)
Western Union Cash Out												
Sales Taxes - Out												
Key Disbursements	\$ (12,073)	\$ (15,109)	\$ (14,195)	\$ (13,034)	\$ (12,632)	\$ (12,661)	\$ (15,050)	\$ (12,824)	\$ (12,517)	\$ (13,503)	\$ (14,409)	\$ (14,274)
Total Disbursements	\$ (14,333)	\$ (15,109)	\$ (14,195)	\$ (13,034)	\$ (12,632)	\$ (12,661)	\$ (15,050)	\$ (12,824)	\$ (12,517)	\$ (13,503)	\$ (14,409)	\$ (14,274)

Revolver Fluctuations	43,410	43,410	41,460	39,510	38,210	37,560	36,910	36,910	36,910	36,910	36,910	36,910
Beginning Inventory		(1,950)	(1,950)		(650)	(650)						
LESS: Inventory Reduction from Store Closures												
Net Inventory	43,410	41,460	39,510	38,210	37,560	36,910	36,910	36,910	36,910	36,910	36,910	36,910
Effective Advance	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Net Availability before Script Advance	\$ 17,364	\$ 16,584	\$ 15,804	\$ 15,284	\$ 15,024	\$ 14,764	\$ 14,764	\$ 14,764	\$ 14,764	\$ 14,764	\$ 14,764	\$ 14,764
Advance on Script Value at 50% (80k Scripts)	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Total Availability	\$ 20,964	\$ 20,184	\$ 19,404	\$ 18,884	\$ 18,624	\$ 18,364	\$ 18,364	\$ 18,364	\$ 18,364	\$ 18,364	\$ 18,364	\$ 18,364
Revolver Balance - Beginning	\$ 10,931	\$ 11,214	\$ 12,336	\$ 13,747	\$ 13,651	\$ 12,118	\$ 12,005	\$ 14,940	\$ 15,197	\$ 13,961	\$ 14,112	\$ 15,319
LESS: Operating Stores Net Inflow	(13,749)	(12,958)	(11,670)	(12,347)	(13,622)	(12,254)	(12,115)	(12,567)	(13,754)	(13,351)	(13,202)	(12,816)
LESS: Store Closures Liquidation Proceeds	(1,029)	(1,029)	(1,114)	(754)	(573)	(500)						
Subtotal: Total Inflows	(13,749)	(13,987)	(12,784)	(13,101)	(14,195)	(12,754)	(12,115)	(12,567)	(13,754)	(13,351)	(13,202)	(12,816)
ADD: Advance from Revolver	14,133	15,109	14,195	13,034	12,632	12,661	15,050	12,824	12,517	13,503	14,409	14,274

* For presentation purposes, the Company has assumed a filing date of 2/8/09 and has assumed that all merchandise vendors and certain service providers will require COD or CIA terms beginning the week ending 2/14/09. Amounts included as "Key Disbursement" 2/5/2009

Confidential

REVOLVER NOTE

U.S. \$4,000,000.00

February 9, 2009
Birmingham, Alabama

FOR VALUE RECEIVED, the undersigned, **BRUNO'S SUPERMARKETS, LLC**, a Delaware limited liability company, as Debtor and Debtor-in Possession in In re Bruno's Supermarkets, LLC, Case No. 09-00634 in the United States Bankruptcy Court for the Northern District of Alabama (the "Bankruptcy Proceeding") (hereinafter referred to as "Borrower") hereby unconditionally promises to pay to the order of **REGIONS BANK** (hereinafter referred to as "Lender") the principal sum of FOUR MILLION AND NO/100 DOLLARS (\$4,000,000.00) or such lesser sum as may constitute the outstanding principal amount hereof. All capitalized terms used in this Revolver Note, not otherwise defined herein, shall have the meanings ascribed to such terms in the *Interim Order (1) Authorizing Debtor-in-Possession to Obtain Financing, Grant Security Interests and Accord Priority Status Pursuant to 11 U.S.C. §§ 361, 364(c) and 364(d); (2) Authorizing Debtor to Use Cash Collateral Pursuant to 11 U.S.C. §§ 361 and 363; (3) Giving Notice of Final Hearing Pursuant to Rule 4001(b)(2) and (c)(2); and (4) Modifying Automatic Stay* (the "DIP Financing Order") entered in the Bankruptcy Proceeding on February 9, 2009.

This Revolver Note (this "Note") is authorized pursuant to and is entitled to all of the benefits of the DIP Financing Order, and all outstanding amounts evidenced by this Note shall be paid in strict accordance with the terms of this Note and the DIP Financing Order. This Note evidences all DIP Loans made by Lender to Borrower under the DIP Financing Order.

Interest shall accrue on the unpaid principal balance of this Note at a rate per annum equal to the rate specified in and in effect from time to time under the Pre-Petition Loan Agreement for LIR Loans (as such term is defined in the Pre-Petition Loan Agreement), which rate is the LIBOR Index Rate (as defined in the Pre-Petition Loan Agreement) plus 3%. On the date hereof, the LIBOR Index Rate is 0.449% and therefore the rate of interest in effect under this Note on the date hereof, expressed in simple interest terms, is 3.449% per annum. Interest shall be calculated on the basis of the actual number of days elapsed in a year of 360 days.

The entire unpaid principal balance and all accrued interest under this Note shall be due and payable upon the soonest to occur of (i) the occurrence of an Event of Default, (ii) February 28, 2009, (iii) the first business day following the date of entry of an order approving final DIP financing for Borrower ("Final Financing Order"), or (iv) the date on which the first loan is made to Borrower after entry of the Final Financing Order. All payments of principal and interest shall be made in U.S. dollars and in immediately available funds.

Upon or after the occurrence of an Event of Default and during the continuance thereof, the principal balance of and all accrued interest on this Note may be declared by Lender to be, and the same shall thereupon become (without notice to or demand upon Borrower), immediately due and payable, and thereafter the principal balance hereof shall bear interest at the Default Rate (as defined in the Pre-Petition Loan Agreement). If this Note is collected by or through an attorney-at-law, Borrower shall be obligated to pay in addition to the unpaid principal balance and accrued interest hereof, reasonable attorneys' fees and court costs.

In no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof or otherwise, shall the amount paid or agreed to be paid to Lender for the use, forbearance or detention of money advanced hereunder exceed the highest lawful rate permissible under any law which a court of competent jurisdiction may deem applicable hereto;

and, in the event of any such payment inadvertently paid by Borrower or inadvertently received by Lender, such excess sum shall be, at Borrower's option, returned to Borrower forthwith or credited as a payment of principal, but shall not be applied to the payment of interest. It is the intent hereof that Borrower not pay or contract to pay, and that Lender not receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by Borrower under applicable law .

Time is of the essence of this Note. To the fullest extent permitted by applicable law, Borrower, for itself and its legal representatives, successors and assigns, expressly waives presentment, demand, protest, notice of dishonor, notice of non-payment, notice of maturity, notice of protest, presentment for the purpose of accelerating maturity, diligence in collection, and the benefit of any exemption or insolvency laws.

Wherever possible each provision of this Note shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or remaining provisions of this Note. No delay or failure on the part of Lender in the exercise of any right or remedy hereunder shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise by Lender of any right or remedy preclude any other right or remedy. Lender, at its option, may enforce its rights against any Collateral securing this Note without enforcing its rights against Borrower, any guarantor of the indebtedness evidenced hereby or any other property or indebtedness due or to become due to Borrower. Borrower agrees that, without releasing or impairing Borrower's liability hereunder, Lender may at any time release, surrender, substitute or exchange any Collateral securing this Note and may at any time release any party primarily or secondarily liable for the indebtedness evidenced by this Note.

The rights of Lender and obligations of Borrower hereunder shall be construed in accordance with and governed by the laws (without giving effect to the conflict of law principles thereof) of the State of Georgia. This Note is intended to take effect as an instrument under seal under Georgia law.

IN WITNESS WHEREOF, Borrower has caused this Note to be executed under seal and delivered by its duly authorized officer on the date first above written.

BORROWER:

**BRUNO'S SUPERMARKETS, LLC,
as Debtor and Debtor-in-Possession**

By: _____

Name: _____

Title: _____

District/Off: 1126-2
 Case: 09-00634-BGC11

User: ccurry
 Form ID: pdfall

Date Created: 2/9/2009
 Total: 36

Recipients of Notice of Electronic Filing:

ba J Thomas Corbett jtom_corbett@alnb.uscourts.gov
 aty Derek F Meek dmeek@burr.com
 aty Eric J. Breithaupt ejb@csattorneys.com
 aty Eric T Ray eray@balch.com
 aty Marc P Solomon msolomon@burr.com
 aty Richard Patrick Carmody richard.carmody@arlaw.com
 aty Rita H Dixon ritadixon@mindspring.com
 aty Rufus Dorsey, IV rtd@phrd.com
 aty Stephen B Porterfield sporterfield@sirote.com

TOTAL: 9

Recipients submitted to the BNC (Bankruptcy Noticing Center):

db Bruno's Supermarkets, LLC 1800 International Park Drive Suite 500 Birmingham, AL 35243
 consult Kurtzman Carson Consultants LLC Attn: James Le 2335 Alaska Ave. El Segundo, CA 90245
 cr Regions Bank c/o Jayna Partain Lamar Maynard Cooper &Gale, PC 1901 Sixth Ave. N., Ste. 2400 Birmingham, AL 35202
 sp Najjar Denaburg P.C. 2125 Morris Avenue Birmingham, AL 35203
 cr ALABAMA POWER COMPANY C/O ERIC RAY P O BOX 306 BIRMINGHAM, AL 35201
 aty Josiah M Daniel Vinson &Elkins LLP 2001 Ross Avenue Suite 3700 Dallas, TX 75201-2975
 aty Katherine D Grissel Vinson &Elkins LLP 2001 Ross Avenue Suite 3700 Dallas, TX 75201-7763
 cr BTC Wholesale Distribution, Inc. c/o Stephen B. Porterfield 2311 Highland Avenue Suite 500 Birmingham AL, 35205 UNITED STATES
 cr C &S Wholesale Grocers, Inc. 7 Corporate Drive Keene, NH 03431
 aty Richard S Cobb Landis Rath &Cobb LLP 919 Market Street Suite 1800 P O Box 2087 Wilmington, DE 19899
 aty C. Edward Dobbs Parker, Hudson, Rainer &Dobbs, LLP 1500 Marquis Two Tower 285 Peachtree Center Avenue, N.E. Atlanta, GA 30303
 aty Josiah M. Daniel, III Vinson &Elkins LLP 2001 Ross Ave #3700 Dallas, TX 75201-2975
 aty Katherine D. Grissel Vinson &Elkins LLP 2001 Ross Ave #3700 Dallas, TX 75201-2975
 aty Richard S. Cobb Landis Rath &Cobb LLP P O Box 2087 Wilmington, DE 19899
 smg Valrey Early BA Birmingham 1800 5th Avenue North Birmingham, AL 35203
 5739631 Birmingham District Tax Office P O Box 13156 Birmingham AL 35202-3156
 5739632 City of Birmingham Alabama Revenue Division P O Box 10566 Birmingham AL 35296-0001
 5739634 City of Birmingham Alabama Revenue Division P O Box 830638
 5739633 City of Birmingham Alabama Special Assessments Section Room G - 100 City Hall Birmingham AL 35203-2297
 5742336 Erica M. Ryland for Ad Hoc Committee Of Lenders Jones Day 222 East 41st Street New York, NY 10017
 5739635 General Counsel Dept of Industrial Relations Montgomery AL 36102
 5739636 Jefferson County Dept of Revenue Jefferson County Courthouse Birmingham AL 35203
 5741759 Josiah M. Daniel, III for BI-LO LLC Vinson &Elkins LLP 2001 Ross Avenue Suite 3700 Dallas, TX 75201-2975
 5741760 Katherine D. Grissel for BI-LO LLC Vinson &Elkins LLP 2001 Ross Avenue Suite 3700 Dallas, TX 75201-2975
 5742335 Paul D. Leake for Ad Hoc Committee Of Lenders Jones Day 222 East 41st Street New York, NY 10017
 5739637 State of Alabama Dept. of Revenue P O Box 320001 Montgomery AL 36132-0001
 5739638 U.S. Securities and Exchange Commission Branch of Reorganization 3475 Lenox Road NE Ste 1000 Atlanta GA 30326

TOTAL: 27