

STATE OF ALABAMA
COUNTY OF SHELBY

SBA LOAN NUMBER: 30069360-00

SUBORDINATION AGREEMENT

WHEREAS, SMALL BUSINESS ADMINISTRATION, an agency of the United States of America having an office at 2120 Riverfront Drive, Suite 100, Little Rock, Arkansas, (hereinafter "SBA") is the present holder of a Mortgage (hereinafter "SBA Mortgage"), assigned to SBA by The Southern Development Council, Inc. through an Assignment dated September 18, 2008; recorded on October 14, 2008 in Instrument 20081014000405220 Office of Judge of Probate of Shelby County, Alabama, Mortgagor being PHOENIX INVESTMENTS, L.L.C. (hereinafter "Borrower") and SPECTRUM ENVIRONMENTAL SERVICES, INC., dated September 19, 2008, in the original principal amount of \$1,409,000.00 and now having a principal balance of approximately \$1,149,180 of December 17, 2014. Said Mortgage was recorded on September 23, 2008 in the Office of Judge of Probate of Shelby County, Alabama in Instrument 20080923000376370.

WHEREAS, CB&S Bank (hereinafter "Lender") wishes to make available funds to the Borrower, in the amount of One Million Five Hundred Fifty Seven Thousand Seven Hundred Dollars and no/100 (\$1,557,700.00), to be secured by a Mortgage on the premises which are the subject of the SBA Mortgage; however, Lender is unwilling to do so unless the New Mortgage is superior in position to the SBA Mortgage; and

WHEREAS, SBA has agreed to subordinate the SBA Mortgage to permit the above described financing.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged and to induce Lender to make a loan in the amount of \$1,557,700.00 to PHOENIX INVESTMENTS, L.L.C., SBA for itself, its successors and assigns hereby covenants and agrees to and with Lender, its successors and assigns, as follows:

1. The SBA Mortgage is and shall continue to be subordinated to the New Mortgage of the Lender, dated JANUARY 30th, 2015 and recorded in the Office of Judge of Probate of ~~SHELBY~~ Mobile County, Alabama in Instrument 20150206000039840 as aforesaid, in an aggregate amount not to exceed \$1557,700.00 exclusive of protective advances and reasonable costs and attorney fees as allowed by statute plus interest as provided in the Note which is secured by said New Mortgage as if said New Mortgage had

been executed, acknowledged, delivered, and recorded prior to the execution by acknowledgment, delivery, and recording of the SBA Mortgage.

2. Compliance with 504 Loan Program Requirements-

Third Party Lender agrees that all documents evidencing the Third Party Loan and the Third Party Lender Lien will comply with the 504 Loan Program requirements as established by SBA, including those identified in the following subparagraphs, and, in the event one or more of the provisions in such documents do not comply with these 504 Loan Program requirements, Third Party Lender agrees to waive the right to enforce any such provisions.

a. No Open-Ended Features and No Future Advances-

The Third Party Loan must not be open-ended. After completion of this subordination, the Third Party Lender may not make future advances under the Third Party Loan except reasonable costs of collection, maintenance, and protection of the Third Party Loan and Third Party Lender's lien.

b. No Early Call or Demand Provisions- Third Party Lender agrees that either: i) Third Party Loan documents evidencing the Third Party Lender Loan and the Third Party Lender Lien do not contain an early call feature or any provision which allows Third Party Lender to make demand under the Third Party Lender Loan (other than when such loan is in default in making payments on the Third Party Loan), or (ii) if Third Party Lender Loan or Third Party Lender Lien does contain any such provision(s), Third Party Lender will not exercise its rights under the provision(s) so long as the 504 Loan has any outstanding unpaid balance.

c. No Cross-Collateralization- Third Party Lender agrees that the Common Collateral is not security for any other financing provided by Third Party Lender to Borrower and that Third Party Lender will not use the Common Collateral to secure any future loan to Borrower unless authorized in writing by CDC and SBA.

d. No Cross-Default- During the term of the 504 Loan, Third Party Lender will not exercise any cross-default, "deem at-risk," or any other provisions in documents evidencing the Third Party Loan or Third Party Lender Lien which allow Third Party Lender to make demand on the Third Party Loan prior to maturity unless the Third Party Loan is in payment default.


e. Maturity and Balloon Payments- Any balloon payment for the Third Party Loan must be clearly identified and disclosed to SBA and approved at application or subsequently approved by SBA. The loan associated with the 2,275,000.00 mortgage may not have a maturity date prior to October 1, 2021.

f. Reasonable Interest Rate- The Third Party Loan has a reasonable interest rate which does not and will not exceed the maximum interest rate for Third Party Loans from commercial financial institutions as published periodically by SBA in the Federal Register and in effect as of the date of this Agreement.

3. No Preference. Third Party Lender must not establish a preference beyond its rights as a senior lender on the Third Party Loan without the prior written consent of CDC/SBA. If the Third Party Lender does take additional collateral or otherwise have a preference, in the case of liquidation, any proceeds received from such additional collateral, must be applied to the Third Party Lender's debt prior to the proceeds from the liquidation of the common collateral held by the CDC/SBA and the Third Party Lender. If the additional collateral no longer exists at the time of liquidation, or has insufficient value to justify the cost of collection, then the Third Party Lender is not required to liquidate such collateral, provided the Third Party Lender notifies CDC/SBA and obtains CDC/SBA's written consent. (See 13 C.F.R. §120.10 for a definition of preference.)

4. Notice of Default under the Third Party Loan- Within thirty (30) days of any default of the Third Party Loan or Third Party Lien, Third Party Lender must provide written notice (referencing SBA's loan number for the 504 Loan) of the default to CDC and SBA. At least sixty 60 days prior to initiating any legal proceeding or collection activity against the Common Collateral, Third Party Lender must provide SBA with written notice of its intent to do so.

5. Limitation on Default Interest Rate- Third Party Lender may not escalate the rate of interest upon default to a rate greater than the maximum rate published by SBA in the Federal Register. SBA will only pay the interest rate on the note in effect before the date of Borrower's default.


20150518000162930 3/9 \$39.00
Shelby Cnty Judge of Probate, AL
05/18/2015 11:51:08 AM FILED/CERT

6. Subordination to 504 Loan and/or CDC Lien, of
Amounts Attributable to Default Provisions.

a. The term "Default Charges" used in this paragraph includes, but is not limited to, prepayment penalties, late fees, other default charges, and escalated interest after default due under the Third Party Loan.

b. To the extent the Third Party Lender Lien secures any amounts attributable to Default Charges, which may exist in the Third Party Loan and Third Party Lender Lien, Third Party Lender Lien is and will be subordinate to the 504 Loan and the CDC Lien. This subordination applies only to CDC and SBA and their successors and assigns, and shall not inure to the benefit of Borrower or any guarantor of the Third Party Loan.

c. In the event of default under the Third Party Loan, CDC or SBA may bring the Third Party Loan current or may acquire the Third Party Loan secured by the Third Party Lender Lien. Third Party Lender agrees that in either of these circumstances, the amount to bring the Third Party Loan current or the purchase price of that loan will be net of all amounts attributable to the Default Charges so subordinated to the 504 Loan and the CDC Lien. Third Party Lender further agrees that if it receives from CDC or SBA any amounts attributable to such Default Charges, Third Party Lender holds such funds in trust for SBA and will remit such funds to SBA as soon as possible. In addition, Third Party Lender shall charge as against SBA only the interest rate on the Third Party Loan that was in effect before the date of Borrower's default. Should CDC or SBA not purchase the Third Party Loan but rather bring the Third Party loan current, Default Charges on the Third Party Loan may remain due and owing from the Borrower.

d. If the Third Party Lender proposes to sell its note, the Third Party Lender must provide CDC/SBA with sixty (60) days written notice prior to the sale including the amount of the note and the amount being offered. SBA has the option to purchase the Note at the same price offered net any default charges, including, but not limited to, prepayment penalties, late fees,

other default charges, and escalated interest after default due under the Third Party Loan.

e. If the Third Party Lender sells or otherwise transfers its note to a third party, then any default charges, including, but not limited to, prepayment penalties, late fees, other default charges, and escalated interest after default due under the Third Party Loan must be subordinate to the amounts outstanding on the 504 Loan and/or CDC Lien.

f. If the Third Party Lender loan documents contain a swap component or hedging contract (hereinafter defined as "swap agreement"), all costs associated with this swap agreement, which may be termed swap fees, termination fees, default fees or other related fees, shall be subordinate to the amounts outstanding on the 504 Loan and/or CDC Lien.

7. Liquidation. In the event that either the Third Party Loan or the 504 Loan is declared in default, Third Party Lender and CDC and SBA agree to cooperate in liquidating and/or selling the Common Collateral. Third Party Lender agrees to (a) accept a U.S. Treasury check(s) in connection with any purchase of Third Party Lender's note or any foreclosure or liquidation bid by CDC or SBA; (b) to provide CDC and SBA with the loan payment status, loan payment history, and an itemized payoff statement of the Third Party Loan; (c) to provide CDC and SBA, at no charge (except for reasonable charges for photocopies) with copies of any appraisals, environmental investigations, or title examinations or searches of the Collateral conducted by or for Third Party Lender; and (d) to provide any other information about Borrower or the Third Party Loan requested by CDC and SBA in writing.

8. Waiver of Right to Indemnification by SBA or CDC. If Third Party Lender's documents contain provisions granting Third Party Lender the right to indemnification by subsequent owners of the Project Property, then Third Party Lender waives its right to enforce such provisions against SBA or CDC in the event SBA or CDC acquires title to the Project Property through foreclosure of the CDC Lien, acceptance of a deed in lieu of foreclosure, or otherwise.

9. No Implied Third Party Beneficiaries. To the extent there is a conflict between this Agreement and any provision in any agreement either Party may have with a third party, including but not limited to, Borrower, the terms and

conditions in this Agreement shall supersede any such provision. The parties agree that SBA may enforce this agreement as a third party beneficiary, and further agree that this Agreement shall not grant any right, benefit, priority, or interest to any other third party, including but not limited to, Borrower and Guarantor(s).

10. Successors and Assigns- This Agreement will inure to the benefit of and bind the respective parties to this Agreement, and their successors and assigns, including any party acquiring the Third Party Loan and Third Party Lender Lien by sale, assignment, or other transfer from Third Party Lender. Third Party Lender agrees that CDC may assign this Agreement to SBA, and waives all rights to contest such assignment.

11. Federal Law- When SBA is the holder of the loan Instruments evidencing the 504 Loan and any security for that loan (including but not limited to the CDC Lien on the Common Collateral), this Agreement and all such instruments will be construed in accordance with Federal law. CDC or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes, but by using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax, or liability. The Third Party Lender may not claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to the 504 Loan.

12. Termination- This document will be released and Terminated upon the payment in full of either the Third Party Loan or the 504 loan and all costs related thereto.

13. Counterparts- This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which together constitute one and the same instrument.

14. Validity of Provisions- In the event that any provision of this Agreement is deemed invalid by a court of competent jurisdiction, all other provisions of this Agreement shall remain valid and enforceable.

15. Authority to Disclose- Borrower herewith consents to disclosure of financial information between SBA and Lender, including but not limited to Federal Tax Returns of the Borrower and guarantors, Financial Statements of borrowers and guarantors, tax notices, insurance notices and certificates,

disclosure of loan balances, interest rates, and payment history, and any appraisals or other valuations of collateral.

16. Revision of this Agreement- Both Third Party Lender and CDC agree that this Agreement is a standard SBA Form, and, as such, neither party has authority to modify or delete any provision in this Agreement, or add any additional provisions, without prior written authorization from the SBA.

17. Authority to Execute Agreement- The persons signing below certify that they have been duly authorized to execute this Agreement on behalf of their respective party.

IN WITNESS WHEREOF, this Subordination Agreement is executed as of this 30th day of JANUARY, 2015.

Borrower:

Phoenix Investments, L.L.C.

By: Steve Castleman
Steve Castleman - Manager

By: Guy Manzi
Guy Manzi - Manager

Date: 1-30-15

Lender:

CB&S Bank

BY: W. Paul Huckeba
W. Paul Huckeba

Its: City President



20150518000162930 7/9 \$39.00
Shelby Cnty Judge of Probate, AL
05/18/2015 11:51:08 AM FILED/CERT

Date: 1-21-15

U.S. Small Business Administration

By: Shirley Walls

Its: SLO
Commercial Loan
Servicing Center - LR

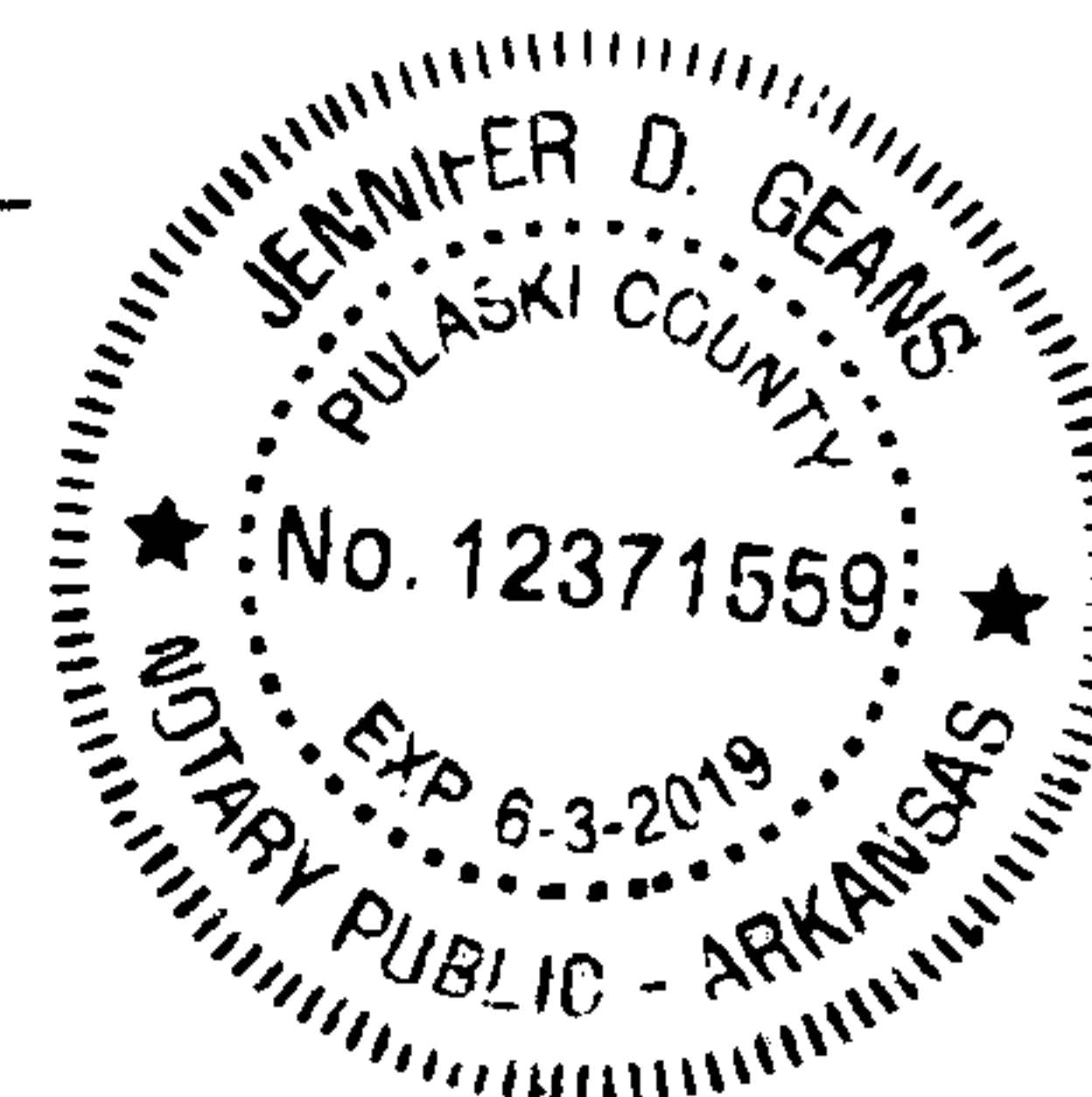
STATE OF Arkansas
COUNTY OF PULASKI

BEFORE ME, the undersigned authority, on this day personally appeared Shirley Walls, its SLO, Small Business Administration, Commercial Loan Servicing Center, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed and in the capacity therein stated as the act and deed of the Small Business Administration.

Given under my hand and official seal on this, the 21st day of January, 2015.

Jennifer D. Geans
Notary Public

My Commission Expires 6-3-2019

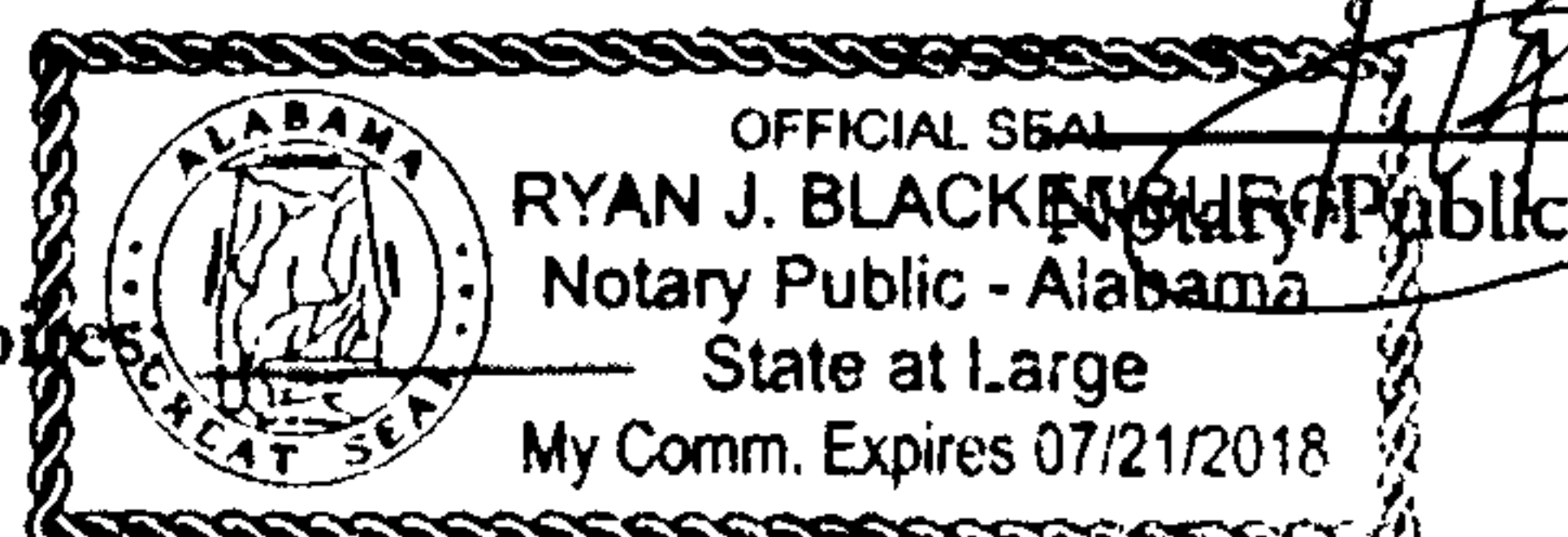


STATE OF ALABAMA
COUNTY OF SHELBY

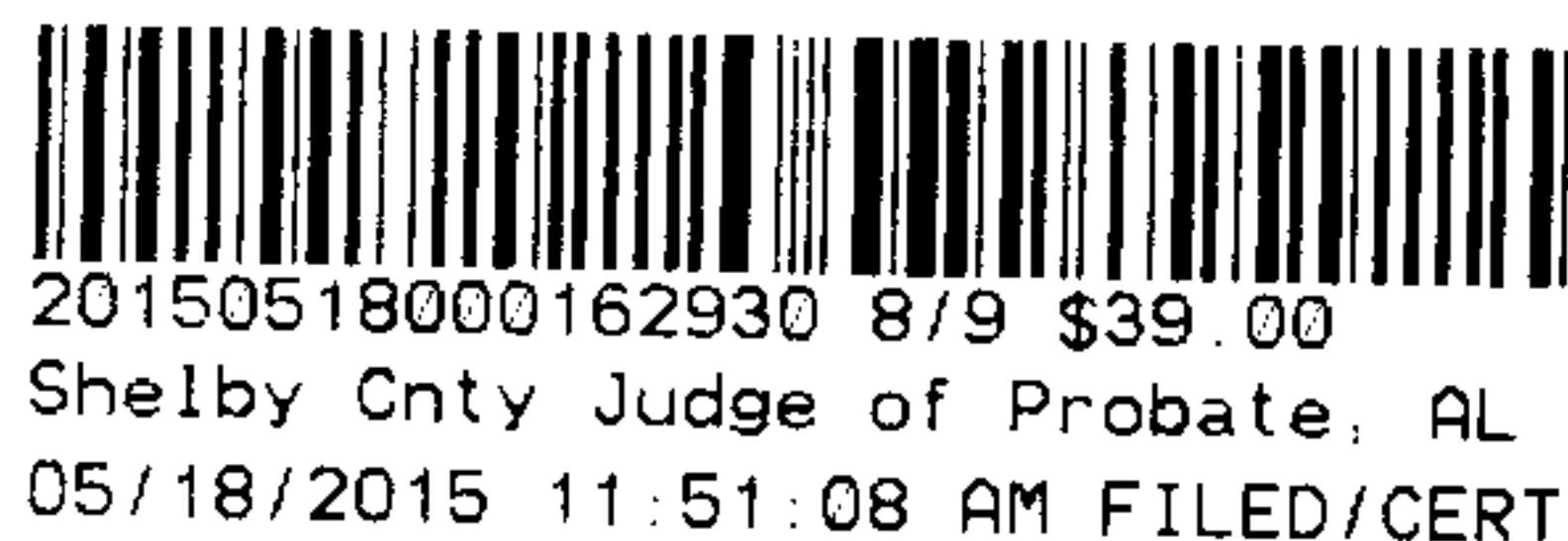
I, the undersigned Notary Public in and for said County and State, do hereby certify that STEVE CASTLEMAN, whose name as MANAGER, PHOENIX INVESTMENTS, L.L.C. is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being thoroughly knowledgeable of the contents of the said instrument, he did execute the same voluntarily and with full authority on the date shown.

Given under my hand and official seal on this, the 30th day of JANUARY, 2015.

My Commission Expires



SBA Loan #: 30069360-00

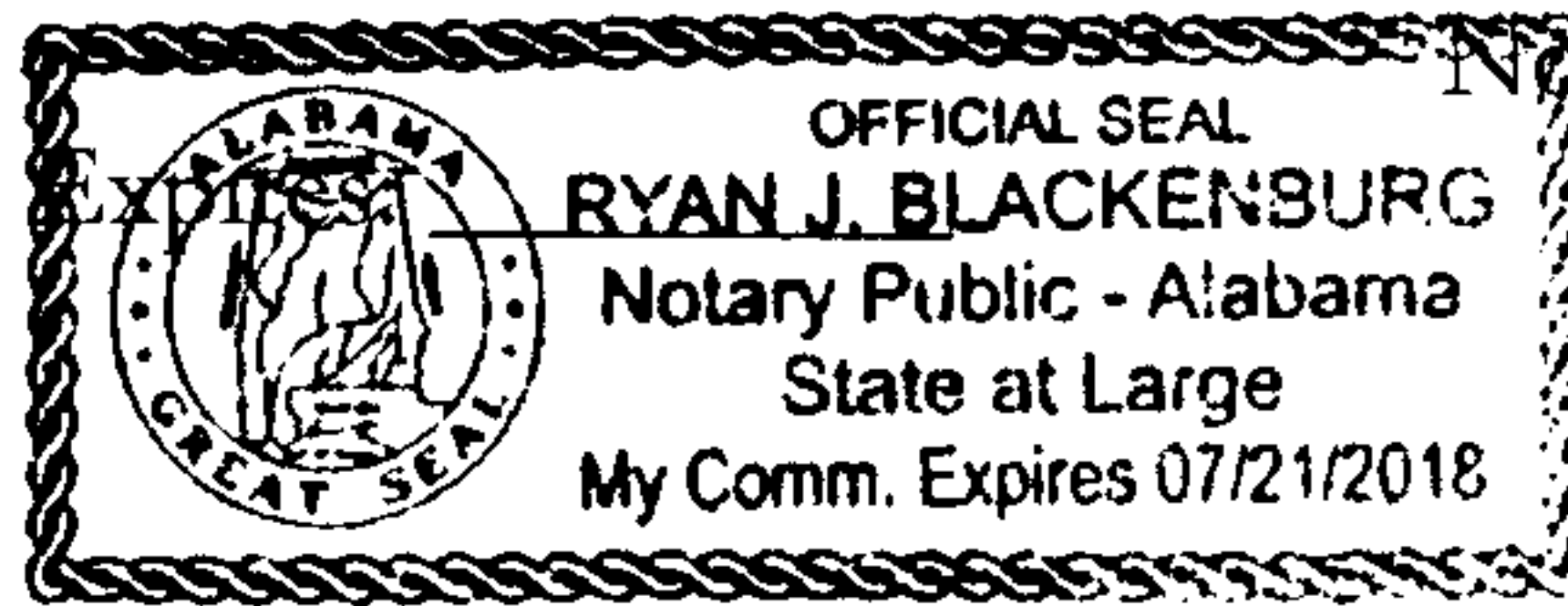


STATE OF ALABAMA
COUNTY OF SHELBY

I, the undersigned Notary Public in and for said County and State, do hereby certify that GUY MANZI, whose name as MANAGER, PHOENIX INVESTMENTS, L.L.C. is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being thoroughly knowledgeable of the contents of the said instrument, he did execute the same voluntarily and with full authority on the date shown.

Given under my hand and official seal on this, the 30th day of JANUARY, 2015.

My Commission Expires



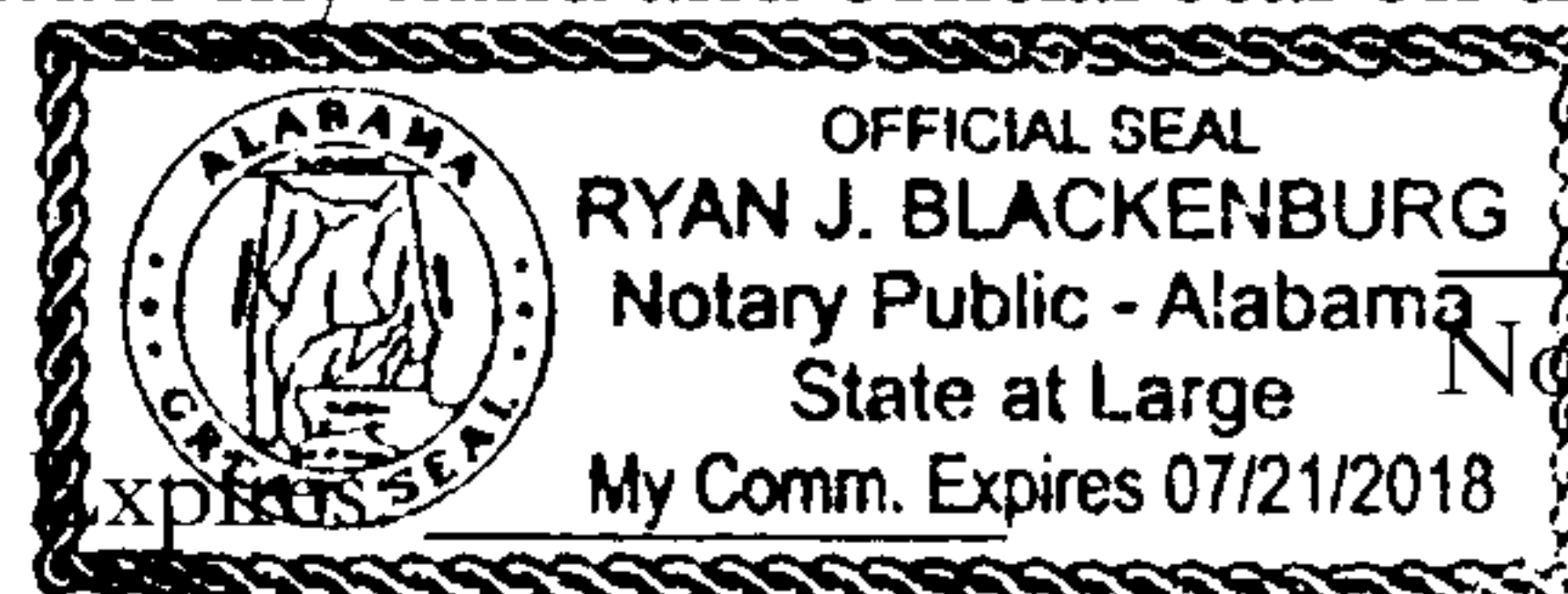
Notary Public

STATE OF ALABAMA
COUNTY OF SHELBY

I, the undersigned Notary Public in and for said County and State, do hereby certify that W. PAUL HUCKEBA, whose name as CITY PRESIDENT, CB&S Bank, a corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being thoroughly knowledgeable of the contents of the said instrument, he did execute the same voluntarily and with full authority on the date shown.

Given under my hand and official seal on this, the 30th day of JANUARY, 2015.

My Commission Expires



Notary Public

This document prepared by, and following recording should be returned to:
Southern Development Council
8132 Old Federal Road
Montgomery, AL 36117
(334) 244-1801



20150518000162930 9/9 \$39.00
Shelby Cnty Judge of Probate, AL
05/18/2015 11:51:08 AM FILED/CERT