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Register of Deeds, Douglas County, NE  
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See Attached

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Return To: Nebraska Economic Dev. Corp. 4445 S 81<sup>st</sup> St. Ste. 200, Lincoln, NE 68506

## SUBORDINATION AGREEMENT

THIS AGREEMENT is dated for reference 31 day of December 2013, and is between Building Energy Solutions & Technology, Inc., a Nebraska Corporation, owners of the land described in the Deeds of Trust referenced below ("Owner"), First National Bank ("Lender") and the SMALL BUSINESS ADMINISTRATION, an agency duly created under and by virtue of an Act of Congress, having its principal office in Washington, in the District of Columbia, and a Commercial Loan Servicing Center at 801 R Street, Suite 101, Fresno, California 93721-2365 (hereinafter called "SBA").

Owner holds fee simple title to real estate legally described as follows:

All of Lots 9, 10, 11, 12 and the South 12 feet of Lot 13, Tex 1<sup>st</sup> Addition to the City of Omaha, Douglas County, Nebraska; along with all that part of vacated 59<sup>th</sup> Street adjacent on the East of said lots; and that part of Lots 5, 6 and 7, Tex 1<sup>st</sup> Addition to the City of Omaha, Douglas County, Nebraska, more particulary described as follows: Referring to the Northwest corner of said Lot 5, Tex 1<sup>st</sup> Addition; thence Easterly along the North line of said Lot 5, a distance of 12.00 feet to the Point of Beginning; thence Easterly deflecting 000° 00'00", a distance of 113.00 feet along said line to the Northeast corner of said lot; thence Southerly deflecting 90°00'00" right a distance of 231.00 feet along the East line of said Lots 5, 6 and 7; thence Northwesterly deflecting 131°11'09" right, a distance of 116.93 feet; thence Northerly deflecting 29°45'23" right, a distance of 23.28 feet; thence Northerly deflecting 11°34'49" right a distance of 32.27 feet; thence Northerly deflecting 00°02'32" left, a distance of 100.87 feet to the Point of Beginning. And that part of Lot 8, Tex 1<sup>st</sup> Addition to the City of Omaha, Douglas County, Nebraska, more particulary described as follows: Beginning at Northwest corner of said Lot 8; thence Southerly on the East line of said Lot 8, a distance of 18.00 feet; thence Northwesterly a distance of 101.60 feet to the Northwest corner of said Lot 8; thence Easterly along the North line of said Lot 8, a distance of 100.00 feet to the Point of Beginning; along with one-half of vacated 59<sup>th</sup> Street adjacent on the East.

SBA is the present holder and beneficiary of that certain Deed of Trust, dated March 29, 2012, to secure a Note in the sum of \$310,000.00 ("SBA Deed of Trust"). The SBA Deed of Trust was recorded April 3, 2012 as Instrument Number 2012031508 in the Douglas County Official Records.

Owner has also executed a Deed of Trust securing a Note in a sum not to exceed

\$375,000.00, in favor of Lender ("Lender's Deed of Trust"); which Note retained an unpaid principal balance of \$316,538.32 as of October 21, 2013. Lender's Deed of Trust was recorded on October 24, 2011 as Instrument Number 2011090148 in the Douglas County Official Records.

Lender has requested that the SBA Deed of Trust be subordinated to an advance from the Lender to the Borrower that would increase the Lender's Note from its original balance of \$375,000 to \$750,000.00; which sum shall be secured by the Lender's Deed of Trust. SBA is willing to subordinate the lien of the SBA Deed of Trust provided it retains its lien priority with regard to all other legal and equitable interests in the property.

In consideration of the mutual benefits to the parties and to induce Lender to make a loan to Owner, it is hereby agreed as follows:

- (1) Lender's Deed of Trust, as modified to secure the advance of funds up from the Lender's Note's present balance to amount not exceeding \$750,000.00, and any renewals or extensions thereof, shall be a lien on the property prior to the lien of the SBA Deed of Trust.
- (2) Lender would not make its loan without this Subordination Agreement.
- (3) Except as expressly provided herein, this agreement shall not operate or be construed to alter the priority of the SBA Deed of Trust with regard to any legal or equitable interest in the property. Owner and Lender shall hold SBA harmless from any impairment of its lien (with regard to any third party) which is occasioned by this subordination.
- (4) All proceeds of Lender's loan shall be paid to the Borrower to reimburse the Borrower for its out of pocket costs incurred in making improvements to the real estate collateral, plus customary closing costs. Any other use of proceeds not described herein shall void this agreement.
- (5) This Subordination Agreement is void if not duly executed by Owner, Lender, SBA, the SBA Borrower(s) and all Guarantors of the SBA loan.
- (6) Compliance with 504 Loan Program Requirements. Lender confirms that the note evidencing the Lender Loan, any lien instruments securing the Lender Loan, and all other documents executed in connection with the Lender Loan ("Lender's Loan Documents")
  - (a) have no open-ended features and allow reasonable future advances only for the costs of collection the obligor is liable for under the Lender's Loan Documents, maintaining collateral, and/or protecting the lien(s) securing the Lender Loan,
  - (b) are not cross-collateralized with any other financing now or hereafter to be provided by Lender,
  - (c) have no early call features,
  - (d) are not payable on demand unless the Lender Loan is in default,
  - (e) have a term that at least equals, and do not require a balloon payment prior to, the term of the previous Third Party Lender Loan unless SBA has approved a shorter term,
  - (f) have a reasonable interest rate that does not, and will not, exceed the maximum

interest rate for a Third Party Loan as published by SBA and in effect as of the date of this Agreement, and (g) do not establish a preference in favor of Lender, as compared to CDC and SBA, related to making, servicing, or liquidating the Lender Loan (including but not limited to, with respect to repayment, collateral, guarantees, control, maintenance of a compensating balance, purchase of a certificate of deposit, or acceptance of a separate or companion loan) other than Lender's senior lien position(s) on the Collateral. Lender agrees that if Lender's Loan Documents or any provision therein does not comply with these requirements, then Lender waives its right to enforce any such noncomplying document or provision unless Lender has obtained the prior written consent of CDC and/or SBA permitting such enforcement.

(7) Subordination of Default Charges. "Default Charges" mean any prepayment penalties, fees, or charges incurred in prepaying the Lender Loan, in whole or in part, prior to the stated maturity; any late fees or charges due in connection with the Lender Loan; any escalated, increased, or default interest charged in excess of the rate of interest in Lender's note absent a default, event of default, or other delinquency; and any other default charges, penalties, or fees of any nature whatsoever due because of a default, event of default, or other delinquency in connection with the Lender Loan. Lender hereby subordinates the collection of any Default Charges to the collection by CDC and/or SBA of the 504 Loan and, to the extent that Lender's Loan Documents secure any Default Charges, Lender hereby subordinates such lien(s) to the lien(s) securing the 504 Loan.

(8) Notice of Default Under the Lender Loan. If any default, event of default or delinquency, upon which Lender intends to take action, occurs under the Lender's Loan Documents, then Lender agrees to give CDC and SBA written notice of such default, event of default or delinquency and the opportunity to cure the default, event of default, or delinquency and bring the Lender Loan current or to purchase Lender's note, provided that the amount to bring the Lender Loan current or to purchase Lender's note will be net of all amounts attributable to Default Charges. Lender further agrees that if Lender receives from CDC or SBA any amounts attributable to Default Charges, then Lender will immediately remit such amounts to SBA. Notice hereunder must be given within thirty (30) days after the default, event of default or delinquency upon which Lender intends to take action and at least sixty (60) days prior to the date of any proposed sale of Collateral and Lender will not sell all or any portion of the Collateral without giving CDC and the SBA such notice. A default in the obligation secured by the Lender's Mortgage may be cured (including purchase of the property at foreclosure sale) by the SBA via cash, certified funds, or a United States Treasury check, at the option of the SBA. Notice under this Agreement shall be deemed to have been given when sent by certified or registered mail, return receipt requested, addressed, as the case may be, to (CDC) at , Attention: Servicing, and also to the SBA at 801 R Street, Suite 101, Fresno, California 93721-2365.

(9) Collection and Liquidation. In the event that either the Lender Loan or the 504 Loan is declared in default; Lender, CDC and SBA agree to cooperate in liquidating and/or selling the Collateral. Lender agrees (a) to accept cash, certified funds or a U.S.

Treasury check(s) in connection with any purchase of 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 Lender Loan; (c) to provide CDC and SBA with copies of any appraisals, environmental investigations, or title examinations or searches of the Collateral conducted by or for Lender; and (d) to provide any other information about Borrower or the Lender Loan requested by CDC and/or SBA in writing.

(10) No Implied Third Party Beneficiaries. Except to the extent stated in this Agreement, this Agreement does not modify or affect otherwise any other agreement that either party may have with third parties, including but not limited to, Borrower. This Agreement also does not grant any right, benefit, priority, or interest to any third parties, including but not limited to, Borrower.

(11) Successors and Assigns. This Agreement shall inure to the benefit of and bind the respective parties to this Agreement and their respective heirs, successors and assigns, including any party acquiring the Lender Loan or Lender's Loan Documents by sale, assignment, or other transfer.

(12) Federal Law. When SBA is the holder of the note evidencing the 504 Loan, this Agreement and all documents evidencing or securing the 504 Loan 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. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax, or liability. No Borrower or guarantor of the 504 Loan may 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.

(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.

U.S. SMALL BUSINESS ADMINISTRATION

By:   
SUS/SBA

State of California  
County of Fresno

On Jan. 27, 2014 before me, Teresa J. Pike, notary public, personally

appeared Raymond A. Kulina, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

SEE ATTACHED

State of California )

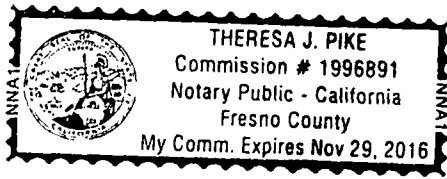
County of Fresno )

On JAN 27, 2014 before me, THERESA J. PIKE, a Notary Public, personally appeared Raymond Kulina, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

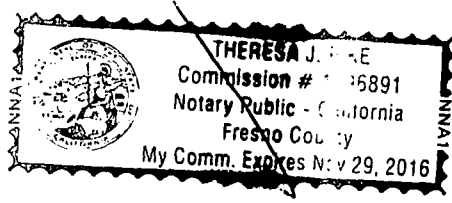
Signature Theresa J. Pike



WITNESS my hand and official seal.

Signature

*Theresa J. Re*



Building Energy Solutions & Technology,  
Inc., a Nebraska Corporation

By:

*Mingsheng Liu*  
Mingsheng Liu, President and Secretary

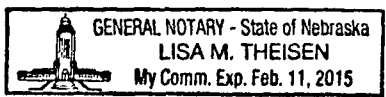
STATE OF NEBRASKA    )  
  ) ss.  
COUNTY OF DOUGLAS    )

The foregoing instrument was acknowledged before me this February 11, 2014, by Mingsheng Liu, as President and Secretary, of Building Energy Solutions & Technology, Inc. a Nebraska corporation, on behalf of the corporation.

*Lisa M. Theisen*  
Notary Public

By:

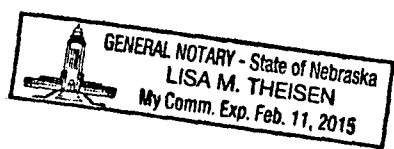
First National Bank  
*Nate Johns*  
Name, Title



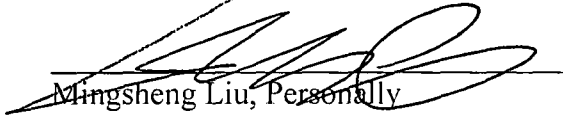
STATE OF NEBRASKA    )  
  ) ss.  
COUNTY OF DOUGLAS    )

The foregoing instrument was acknowledged before me this February 11, 2014, by Nate Johns, as Vice President, of First National Bank, a banking corporation, on behalf of the corporation.

*Lisa M. Theisen*  
Notary Public



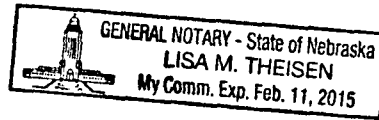
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The undersigned Guarantor(s)/Borrower(s) hereby consent to all terms above and acknowledge their liability for the above referenced SBA loan is in no manner diminished by this agreement.

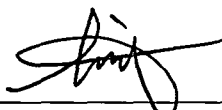
  
Mingsheng Liu, Personally

STATE OF NEBRASKA    )  
  ) ss.  
COUNTY OF DOUGLAS    )

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of April, 2014 by Mingsheng Liu, personally.


  
\_\_\_\_\_  
Notary Public



  
\_\_\_\_\_  
Yong Li, Personally

STATE OF TEXAS        )  
                                  )  
COUNTY OF BEXAR    )

This instrument was acknowledged before me this 18 day of APRIL, 2014 by Yong Li, Personally.

  
\_\_\_\_\_  
Notary Public

