

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **June 8, 2023**

SAFE & GREEN HOLDINGS CORP.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38037
(Commission File Number)

95-4463937
(I.R.S. Employer
Identification Number)

**990 Biscayne Blvd.
#501, Office 12
Miami, FL 33132**
(Address of Principal Executive Offices, Zip Code)

(Former name or former address, if changed since last report.)

Registrant's telephone number, including area code: 646-240-4235

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01	SGBX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

In connection with the exercise of its option to acquire 19 acres of land and the approximately 56,775 square foot facility located at 101 Waldron Road in Durant Oklahoma (the "Premises"), on June 8, 2023, SG Echo LLC ("SG Echo"), a wholly owned subsidiary of Safe & Green Holdings Corp. (the "Company"), issued a secured commercial promissory note, dated June 1, 2023 (the "Secured Note") in the principal amount of \$1,750,000 with SouthStar Financial, LLC, a South Carolina limited liability company ("SouthStar"), and entered into a Non-Recourse Factoring and Security Agreement, dated June 1, 2023 (the "Factoring Agreement"), with SouthStar providing for its purchase from SG Echo of up to \$1,500,000 of accounts receivable, subject to reduction by South Star (the "Facility Amount"). As of the date of this Report, funding from the Secured Note and Factoring Agreement has not yet been received, which funding will be used to pay the \$1,000,000 purchase price of the Premises.

The Secured Note bears interest at 23% per annum and is due and payable on June 1, 2025. The Secured Note is secured by a mortgage (the "Mortgage") on the Premises and secured by a Security Agreement, dated June 1, 2023 (the "Security Agreement"), pursuant to which SG Echo granted to SouthStar first priority security interest in all of SG Echo's presently-owned and hereafter-acquired personal and fixture property, wherever located, including, without limitation, all accounts, goods, chattel paper, inventory, equipment, instruments, investment property, documents, deposit accounts, commercial tort claims, letters-of-credit rights, general intangibles including payment intangibles, patents, software trademarks, trade names, customer lists, supporting obligations, all proceeds and products of the foregoing. SG Echo paid to SouthStar an origination fee in the amount of 3% of the face amount of the Secured Note. Upon the occurrence of an Event of Default (as defined in the Secured Promissory Note), the default interest rate will be 28% per annum, or the maximum legal amount provided by law, whichever is greater.

The Factoring Agreement provides that upon acceptance of an account receivable for purchase SouthStar will pay to SG Echo eighty percent (80%) of the face amount of the account receivable, or such lesser percentage as agreed by the parties. SG Echo will also pay to SouthStar one and 95/100 percent (1.95%) of the face amount of the accounts receivable for the first twenty-five (25) day period after payment for the accounts receivable is transmitted to SouthStar plus one and 25/100 percent (1.25%) for each additional fifteen (15) day period or part thereof, calculated from the date of purchase until payments received by SouthStar in collected funds on the purchased accounts receivable equals the purchase price of the accounts receivable, plus all charges due SouthStar from SG Echo at the time. An additional one and 50/100 percent (1.50%) per fifteen (15) day period will be charged for invoices exceeding sixty (60) days from advance date. The Factoring Agreement provides that SG Echo may require additional funding from SouthStar (an "Overadvance") and SouthStar may provide the Overadvance in its sole discretion. In the event of an Overadvance, SG Echo will pay SouthStar an amount equal

to three and 90/100 percent (3.90%) of the amount of the Overadvance for the first twenty-five (25) day period after the Overadvance is transmitted to SouthStar plus two and 50/100 percent (2.50%) for each additional fifteen (15) day period or part thereof until payments received by SouthStar in collected funds equals the amount of the Overadvance, plus all charges due SouthStar from SG Echo at the time.

The Factoring Agreement provides that SG Echo will also pay a transactional administrative fee of \$50.00 for each new account debtor submitted to it and an fee equal to 0.25% of the face amount of all purchased accounts receivable for the handling, collecting, mailing, quality assuring, insuring the risk, transmitting, and performing certain data processing services with respect to the maintenance and servicing of the purchased accounts.

As security for the payment and performance of SG Echo's present and future obligations to SouthStar under the Factoring Agreement, SG Echo granted to SouthStar a first priority security interest in all of SG Echo's presently-owned and hereafter-acquired personal and fixture property, wherever located, including, without limitation, all accounts, goods, chattel paper, inventory, equipment, instruments, investment property, documents, deposit accounts, commercial tort claims, letters-of-credit rights, general intangibles including payment intangibles, patents, software trademarks, trade names, customer lists, supporting obligations, all proceeds and products of the foregoing.

The Factoring Agreement has an initial term of thirty-six (36) months from the first day of the month following the date the first purchased accounts receivable is purchased. Unless terminated by SG Echo, not less than sixty (60) but not more than ninety (90) days before the end of the initial term, the Factoring Agreement will automatically extend for an additional thirty-six (36) months. SG Echo shall be required to provide the same not less than sixty (60) but not more than ninety (90) days notice during any and all renewal terms in order to terminate the Factoring Agreement, and if no notice is provided, the renewal term will extend for an additional thirty-six (36) month period.

If SouthStar has not purchased accounts receivable in a quarterly period during any initial or renewal term which exceed fifty percent (50%) of the Facility Amount per calendar quarter, in which \$250,000.00 of the purchased accounts each month must be with ATCO Structures & Logistics (USA) Inc. ("Minimum Amount"), the Factoring Agreement provides that SG Echo will pay to SouthStar, on demand, an additional amount equal to what the charges provided for elsewhere in the Factoring Agreement would have been on the Minimum Amount assuming the number of days from the date of purchase of the Minimum Amount until receipt of payment of the Minimum Amount is thirty one (31) days, less the actual charges paid by SG Echo to SouthStar during such period.

Pursuant to a Secured Continuing Corporate Guaranty, dated June 8, 2023 (the "Corporate Guaranty"), the Company has guaranteed SG Echo's obligations to SouthStar under the Secured Note and Factoring Agreement.

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Pursuant to a Cross-Default and Cross Collateralization Agreement (the "Cross Default Agreement"), effective June 8, 2023, between SouthStar, SG Echo and the Company, SG Echo's obligations under the Secured Note and Factoring Agreement are cross-defaulted and cross-collateralized such that any event of default under the Secured Note shall constitute an event of default under the Factoring Agreement at SouthStar's election (and vice versa, any event of default under the Factoring Agreement shall constitute an event of default under the Secured Note at SouthStar's election) and any collateral pledged to secure SG Echo's obligations under the Secured Note shall also secure SG Echo's obligations under the Factoring Agreement (and vice versa).

The foregoing descriptions of the Lease Agreement, Secured Note, Mortgage, Factoring Agreement, Corporate Guaranty and Cross Default Agreement are qualified in their entirety by reference to the full text of the Lease Agreement, Secured Note, Factoring Agreement, Corporate Guaranty and Cross Default Agreement, copies of which are attached hereto as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5 and 10.6, respectively, and incorporated herein in their entirety by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information set forth under Item 1.01 above of this Current Report on Form 8-K is incorporated by reference in this Item 2.01.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 above of this Current Report on Form 8-K is incorporated by reference in this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are furnished with this Current Report on Form 8-K:

Exhibit Number	Exhibit Description
10.1	Lease Agreement by and between SG Echo LLC and May Properties, LLC, dated October 28, 2021 (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K as filed by Safe & Green Holdings Corp. with the Securities and Exchange Commission on November 2, 2021 (File No. 001-38037)).
10.2	Secured Commercial Promissory Note, dated June 8, 2023, executed by SG Echo LLC
10.3	Mortgage, dated June 8, 2023, in favor of SouthStar Financial, LLC
10.4	Non-Recourse Factoring and Security Agreement, dated June 8, 2023, by and between SG Echo LLC and SouthStar Financial, LLC
10.5	Secured Continuing Corporate Guaranty, dated June 8, 2023, by Safe & Green Holdings Corp. in favor of SouthStar Financial, LLC
10.6	Cross-Default and Cross Collateralization Agreement, dated June 8, 2023, by and between SouthStar Financial, LLC, SG Echo LLC and Safe & Green Holdings Corp.
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within in the inline XBRL document)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SAFE & GREEN HOLDINGS CORP.

Dated: June 14, 2023

By: /s/ Paul Galvin
Name: Paul Galvin
Title: Chairman and Chief Executive Officer

SECURED COMMERCIAL PROMISSORY NOTE
(the "Promissory Note")

\$1,750,000.00**Effective Date: June 8, 2023**

FOR VALUE RECEIVED, the sufficiency of which is hereby acknowledged, SG Echo, LLC, a Delaware limited liability company ("SG Echo"), the ("Maker"), jointly and severally promise to pay to the order of SouthStar Financial, LLC (the "Payee"), the principal sum of **One Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$1,750,000.00)**, or so much thereof as may be disbursed by the Payee during the term of this Promissory Note, in lawful monies of the United States of America, plus interest at a fixed rate in accordance with the terms and conditions detailed herein, plus other accruals, charges, fees and additions contained in this Promissory Note.

The interest, fees, and charges due and charged under this Promissory Note shall be charged monthly and payable in accordance with the payment schedule attached to this Promissory Note as **Exhibit 1**, which is incorporated expressly herein by the Parties. All monthly payments of principal, interest, and fees shall be paid to Payee as set forth in the payment schedule attached. For the avoidance of doubt, the Maturity Date of this Promissory Note shall be June 8, 2025, the date which is twenty-four (24) months after the date of this Note (the "**Maturity Date**").

The Parties understand that this Promissory Note will be secured and perfected by a mortgage (the "Mortgage") on that real property and improvements located at 101 Waldron Road, Durant, OK (Bryan County) (the "Real Property") owned by the Maker, which mortgage will be a first position purchase money Mortgage on the Real Property. The Promissory Note will be further secured by a security agreement whereby Maker is granting to Payee a perfected security interest in all of their assets (the "**Security Agreement**"). The Parties further understand that until full payment and performance of all obligations of Maker under the Promissory Note, Security Agreement, and other related documents, the Maker will not, without prior written consent of Payee, grant, suffer or permit any contractual or noncontractual lien on or security interest in the subject property.

The Maker further acknowledges that the collateral provided for under the Non-Recourse Factoring And Agreement dated June 8, 2023, including all addendums, amendments, and modifications thereto (the "**Factoring Agreement**"), executed by and between Maker and Payee shall secure each and every obligation and debt of the Maker under any and all agreements between the Parties, including this Promissory Note, the Factoring Agreement, and any addendum, amendment, or modification thereto. Upon the occurrence of an event of default under the Factoring Agreement, the Security Agreement, this Promissory Note and any addendums thereto, such event of default shall be deemed an event of default under any and all agreements between the Parties, and Payee, in its sole discretion, shall be entitled to assert any and all rights and remedies against the Maker, and collect against any collateral, property or guarantee as provided for under any agreement. This section is specifically intended by the Parties to be a cross-collateralization and cross-default provision so the collection rights, collateral and other property set forth in one agreement secures the debts and obligations of the other agreements, and vice-versa.

L.S. Maker: _____

L.S. Maker: _____

[SG Echo, LLC & SouthStar Financial LLC – Promissory Note]

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The collateral provided for under the Factoring Agreement and this Promissory Note shall secure each and every obligation and debt of the Maker under any and all agreements between the Parties. Upon the occurrence of an event of default under the Factoring Agreement, this Promissory Note, the Security Agreement, or any other security for this Note, such event of default shall be deemed an event of default under any and all agreements between the Parties in their sole discretion, shall be entitled to assert any and all rights and remedies against the Maker, and collect against any collateral, property or guarantee as provided for under any agreement between the Parties. This section is specifically intended by the Parties to be a cross-collateralization and cross-default provision so the collection rights, collateral and other property set forth in one agreement secures the debts and obligations of the other agreements, and vice-versa. The Guarantors of the Factoring Agreement are acknowledging and executing below to demonstrate their agreement that their Guarantees also guarantee the obligations under this Promissory Note.

The Maker acknowledges and agrees that they are sophisticated in financial matters, the terms of this Promissory Note were negotiated between sophisticated parties, and this Promissory Note is not and does not constitute a consumer transaction. Maker represents that Maker has full power, authority and legal right to execute, deliver and perform its obligations pursuant to this Promissory Note and that this Promissory Note constitutes a legal, valid and binding obligation of Maker. Maker further represents that the loan evidenced by this Promissory Note was made for business or commercial purposes and not for personal, family or household use.

All unpaid principal and interest shall be due and payable to the Payee or to the order of the Payee at the address set forth below or at such other place or to such other party or parties as Payee may from time to time designate. All principal and interest shall be due and payable on the Maturity Date.

Maker will send payment to:

SouthStar Financial, LLC
ATTN: Susan Linney
840 Lowcountry Blvd.
Mt. Pleasant, SC 29464

Payment shall be payable to:

SouthStar Financial, LLC

L.S. Maker: _____

L.S. Maker: _____

[SG Echo, LLC & SouthStar Financial LLC – Promissory Note]

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If, at any time, the rate of interest under this Promissory Note shall be deemed by any competent court of law, governmental agency or tribunal to exceed the maximum rate of interest permitted by the laws of any applicable jurisdiction or the rules or regulations of any appropriate regulatory authority or agency, then during such time as such rate of interest would be deemed excessive, that portion of each interest payment attributable to that portion of such interest rate that exceeds the maximum rate of interest so permitted shall be deemed a voluntary prepayment of principal or, if all principal has been paid, that portion of each interest payment attributable to that portion of such interest rate that exceeds the maximum rate of interest so permitted shall be promptly refunded to Makers.

The Maker agrees to pay the Payee an origination fee in the amount of Three Percent (3%) of the stated amount of this Promissory Note (the "Origination Fee"). The Maker further agrees to pay all reasonable and actually incurred costs relating to the creation, recordation, and execution of this Promissory Note and related Security Agreement paid to the Payee's agent and attorney The Law Offices of L.W. Cooper Jr., LLC (or any other attorney retained to perform the same) for attorney's fees. Additionally, the Makers agree to pay all reasonable and actually incurred costs charged to the Payee in offering and performing the drafting of the mortgage/deed of trust and recording to Oklahoma legal counsel retained to perform the same.

The Maker waives presentment, demand for payment, notice of dishonor, and all other notices and demands in connection with the delivery, acceptance, performance, default, endorsement, or guarantee of this Promissory Note. The Maker hereby waives any defense or right of offset against payment to Payee or to any subsequent holder of this Promissory Note.

In an Event of Default (as specified herein and in the Security Agreement, the Factoring Agreement executed by and between Maker and Payee) and the continuation of such Event of Default for a period of ten (10) days thereafter, the Payee, at Payee's option, may (unless the Event of Default shall have theretofore been remedied) by notice to the Maker, declare all principal and unpaid interest under this Promissory Note immediately due and payable, whereupon the same shall forthwith mature and become due and payable, without presentment, protest, or notice, all of which are hereby waived, and take such action provided for by law to collect all amounts due under this Promissory Note, jointly and severally against Makers.

L.S. Maker: _____

L.S. Maker: _____

[SG Echo, LLC & SouthStar Financial LLC – Promissory Note]

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An "Event of Default" is as follows:

1. Maker's failure to pay all the principal, interest, or any other amounts due and owing under this Note on or before the Maturity Date;
2. Maker's failure to make any payment of principal, interest, or any other amount due under this Promissory Note on the date when due and owing;
2. Another creditor seeks to foreclose on any real or personal property that is security for this Promissory Note including, but not limited to, the property and assets subject to the Security Agreement; or otherwise;
3. Maker enters into an assignment for the benefit of creditors or admits in writing its inability to pay debts as they become due or files a voluntary petition in bankruptcy or be adjudicated bankrupt or insolvent or file any petition or answer seeking any arrangement, composition, readjustment, dissolution, or similar relief under present or future statute, law, or regulation or files any answer admitting or failing to deny the material allegations of any petition filed against Maker for any such relief or shall seek or consent to or act within the appointment of any trustee or receiver for himself of any substantial part of its property;
4. An Event of Default as defined in the Security Agreement, the Factoring Agreement, including any addendums, amendments and modifications thereto, and any related transactional document; or
5. Maker, without prior written consent of Payee, grant, suffer or permit any contractual or noncontractual lien on or security interest in the subject property except in favor of the senior lien holder.

It is understood and agreed that upon the occurrence of an Event of Default in payment of this Promissory Note, the default interest rate shall be Twenty-Eight Percent (28%) per annum, or the maximum legal amount provided by law, whichever is greater. At the sole option of the Payee, Payee may resort to legal action for the collection of all sums due hereunder, and a failure to assert any rights of Payee shall not be deemed a waiver thereof.

L.S. Maker: _____

L.S. Maker: _____

[SG Echo, LLC & SouthStar Financial LLC – Promissory Note]

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In the event that this Promissory Note is placed in the hands of any attorney for collection, the Maker agrees to pay all actually incurred costs of collection, jointly and severally, whether suit is brought or not, including, but not limited to, court costs, reasonable attorneys' fees, and disbursements.

This Promissory Note may not be changed or terminated orally but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification, or discharge is sought, with such agreement being effective and binding only upon the attachment hereto.

This Promissory Note and the rights and obligations of Payee and the Maker shall be governed, interpreted, and construed in accordance with the laws of the State of South Carolina, without regard to conflicts of law rules principles (whether of the State of South Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of South Carolina. In the event that any dispute whatsoever arises between the Parties in relation to or in any way in connection with this Promissory Note (a "Dispute"), the Dispute shall be brought exclusively in the courts of competent jurisdiction in the State of South Carolina, County of Charleston, and the Parties irrevocably consent to the exclusive jurisdiction of the state and federal courts located in Charleston, South Carolina waiving any argument as to *forum non-conviens*. Maker shall be liable for all reasonable attorney's fees and all other costs and expenses incurred by Payee in enforcing or defending any matter related to this Promissory Note. Notwithstanding the foregoing, Payee, in its sole discretion only may elect to bring a suit or cause of action regarding a Dispute in a jurisdiction other than the one prescribed herein. and any action or proceeding initiated related to this Secured Promissory Note shall be required to be brought in a court of competent jurisdiction located in Charleston County, South Carolina.

This Promissory Note shall be assignable and/or able to be sold to a third party by Payee, in its sole discretion, and without the consent of the Maker. Payee shall be able to retain the economic benefit of such assignment or sale. Maker hereby consents to any such assignment and agree to execute any necessary documents or other instruments as may be necessary to effectuate the assignment and/or sale to any third party purchaser or assignee.

This Promissory Note may be prepaid, but such prepayment shall be for the complete and entire amount of all principal, interest, fees, and costs due or that would be due under this Promissory Note through the date of the Maturity Date. Should the prepayment cause the rate of interest to be in excess of the legal rate of interest under applicable law, Maker and Payee agree that such amount above the legal rate of interest shall be treated as a pre-payment penalty.

L.S. Maker: _____

L.S. Maker: _____

[SG Echo, LLC & SouthStar Financial LLC – Promissory Note]

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IN WITNESS WHEREOF, SG Echo, LLC, a Delaware limited liability company, has executed, signed, sealed, and delivered this Promissory Note as of the date set forth above.

By my own hand and seal,

SIGNED, SEALED, AND DELIVERED,

IN THE PRESENCE OF:

/s/ Mary Galvin

/s/ Annette Metzger

SG Echo, LLC

/s/ Paul Galvin

By: Safe & Green Holdings Corp. f/k/a
SG Blocks, Inc.
Its: Sole and Managing Member

By: Paul Galvin
Its: Director, Chairman, CEO &
Authorized Person

IN WITNESS WHEREOF, the undersigned Payee has duly executed this Secured Commercial Promissory Note on the date first above written.

SouthStar Financial, LLC

/s/ Susan Linney

By: SouthStar Capital, LLC
Its: Sole Member

By: Susan Linney
Its: Chief Operating Officer

[SG Echo, LLC & SouthStar Financial LLC – Signature Page]

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EXHIBIT 1
Loan Repayment Schedule

Payment Due Date	Payment Amount
7/1/2023	\$33,764.00
8/1/2023	\$33,764.00
9/1/2023	\$33,764.00
10/1/2023	\$33,764.00
11/1/2023	\$33,764.00
12/1/2023	\$33,764.00
1/1/2024	\$33,764.00
2/1/2024	\$33,764.00
3/1/2024	\$33,764.00
4/1/2024	\$33,764.00
5/1/2024	\$33,764.00
6/1/2024	\$33,764.00
7/1/2024	\$33,764.00
8/1/2024	\$33,764.00
9/1/2024	\$33,764.00
10/1/2024	\$33,764.00
11/1/2024	\$33,764.00
12/1/2024	\$33,764.00
1/1/2025	\$33,764.00
2/1/2025	\$33,764.00
3/1/2025	\$33,764.00
4/1/2025	\$33,764.00
5/1/2025	\$33,764.00
6/1/2025	\$1,777,068.55

[SG Echo, LLC & SouthStar Financial LLC – Exhibits]

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REAL ESTATE MORTGAGE

KNOW ALL MEN BY THESE PRESENTS:

That SG Echo, LLC, a Delaware corporation, 5011 Gate Parkway, Building 100, Jacksonville, Florida 32256, hereinafter called Mortgagor, whether one or more, has mortgaged and hereby mortgages to SouthStar Financial, LLC, a South Carolina limited liability company, 840 Lowcountry Blvd., Mount Pleasant, SC 29464, hereinafter called Mortgagee, whether one or more, the described real estate and premises, the following described real estate and premises, situated in Bryan County, State of Oklahoma, to-wit:

A part of the SW/4 SW/4 of Section 18, Township 7 South, Range 9 East of the Indian Base and Meridian, in Bryan County, Oklahoma, described as Beginning at the Northwest corner of the SW/4 SW/4 of said Section 18; Thence South 89 degrees 50 minutes 02 seconds East 1293.60 feet; Thence South 00 degrees 06 minutes 46 seconds East 445.87 feet to the True Point of Beginning; Thence South 00 degrees 06 minutes 46 seconds East 544.13 feet; Thence North 89 degrees 50 minutes 02 seconds West 1295.55 feet; Thence North 544.24; Thence South 89 degrees 50 minutes 02 seconds East 1294.48 feet to the Point of Beginning.

with all the improvements thereon and appurtenances thereunto belonging; and warrant the title to the same.

This Mortgage is being to secure present and future indebtedness and all other obligations of Mortgagor to Mortgagee shall not be exhausted not title to the property herein conveyed to Mortgagee revested in Mortgagor by the payment of all of the secured indebtedness at any time outstanding, but title to said property shall only be revested in Mortgagor by a reconveyance of said property to Mortgagor by Mortgagee or by the cancellation and surrender of this deed by Mortgagee and this Mortgage shall continue in full force and effect until such reconveyance or cancellation and surrender takes place.

Mortgagor is well and duly indebted unto Mortgagee, as evidenced by that Non-Recourse Factoring And Security Agreement by and between SouthStar Financial, LLC and SG Echo, LLC, a Delaware corporation dated June 8, 2023, including any and all addendums, amendments, and modifications thereto (the "Factoring Agreement"). Mortgagor is further indebted to Mortgagee pursuant to that Secured Commercial Promissory Note dated June 8, 2023, in the principal sum of up to One Million Seven Hundred Fifty Thousand Fifty and 00/100 Dollars (\$1,750,050.00) (the "Note") and the Security Agreement dated June 8, 2023, wherein Mortgagor further secured the repayment obligations of the Note (the "Security Agreement," and together with the Factoring Agreement, and the Note, the "Indebtedness Documents"), the terms of which are all incorporated herein by reference.

The total indebtedness to be secured by this Mortgage under the Indebtedness Documents is up to the maximum principal amount of Two Million Two Hundred Fifty Thousand and 00/100 Dollars (\$2,250,000.00), plus other accruals, interest, charges, fees and additions, and is to be repaid as set forth in and pursuant to the terms of the Indebtedness Documents, and any addendum, amendments, and modifications thereto (the "Indebtedness"). Accordingly, Mortgagor grants this Mortgage to Mortgagee in the real property detailed above to secure the herein stated Indebtedness incorporated by reference.

In addition to the Factoring Agreement, this Mortgage secures all advances made by Mortgagee to Mortgagor whether or not the advances are made pursuant to a commitment. Specifically, without limitation, this Deed secures, in addition to the amounts specified in the Factoring Agreement or Note, all future amounts Mortgagee in its discretion may extend to Mortgagor, together with all interest thereon.

Mortgagor shall maintain the premises in good condition and repair, shall not commit or suffer any waste to the premises nor abandon same, and shall comply with, or cause to be complied with, all statutes, ordinances, and requirements of any governmental authority relating to the premises or any part thereof. Mortgagor shall keep the premises free of noxious weeds and grasses. Mortgagor shall promptly repair, restore, replace, or rebuilt any part of the premises, now or hereafter encumbered by this Mortgage. No part of the premises, including, but not limited to, any building, structure, parking lot, driveway, landscape scheme, timber, or other ground improvement, equipment, or other premises now or hereafter conveyed as security by or pursuant to this Mortgage, shall be removed, demolished, or materially altered without the prior written consent of the Mortgagee. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Mortgagee's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Mortgagee's prior written consent. Mortgagee will notify Mortgagee of all demands, proceedings, claims and actions against Mortgagor, and of any loss or damage to the premises. Mortgagee and any persons authorized by Mortgagee shall have the right to enter and inspect the premises at all reasonable times and access thereto shall be permitted for that purpose. Any inspection of the premises shall be entirely for Mortgagee's benefit and Mortgagor will in no way rely on Mortgagee's inspection.

The Mortgagor further agrees to maintain insurance acceptable to, and for the benefit of the Mortgagee, upon the buildings on said premises in an amount not less than the Indebtedness due the Mortgagee. The Mortgagor further agrees to pay all taxes and assessments upon said premises before the same become delinquent and to keep the premises free of any liens or claims which might become prior to the lien hereof. In the event of the failure of the Mortgagor so to do, the mortgagee may effect insurance or pay such taxes, assessments or other liens, and shall have a lien secured hereby for the amount thereof with interest thereon at the rate of ten per cent per annum.

In the event the Mortgagor defaults in the payment of said Indebtedness, or fails to perform the other covenants and agreements hereof, the Mortgagee may foreclose this Mortgage, as provided by law; and as often as any proceedings may be taken to foreclose this Mortgage, the Mortgagor agrees to pay the Mortgagee a sum equal to ten percent (10%) of the amount due as attorney's fees in addition to other sums due, which shall be a further lien secured hereby. Upon the due payment of said Indebtedness and performance of other covenants and agreements hereof by the Mortgagor, this Mortgage shall become null and void.

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW THE MORTGAGEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS MORTGAGE.

Mortgagor hereby confers on Mortgagee the power to sell the real estate described herein and the interests of persons therein in the manner provided in the 'Oklahoma Power of Sale Mortgage Foreclosure Act', (Title 46 Oklahoma Statutes, Sections 43, through 47) - The Mortgagee, at its option, may either exercise the power of sale or foreclose this Mortgage as provided by law in the event the Mortgagor (a) defaults in the payment of any indebtedness secured hereby; or (b) fails to perform any other covenant or agreement contained herein or in any other indebtedness, obligation or agreement of the Mortgagor to the Mortgagee or (c) sells, conveys, transfers, mortgages, hypothecates, or in any other manner ceases to be the owner of all or any portion or interest of the Mortgaged Property. As often as any proceedings may be taken to foreclose this Mortgage, the Mortgagee agrees to pay the Mortgagee a sum of not less than ten percent (10%) of the amount due as a reasonable attorney's fee, in addition to other sums due, which shall be secured hereby. Upon the due payment of the Indebtedness described above, and upon the performance of the other covenants and agreements hereof by the Mortgagor, this Mortgage shall become null and void, and discharged of record at the cost of the Mortgagor, which cost Mortgagor agrees to pay.

The terms "Mortgagor" and "Mortgagee", wherever used herein, include the original parties hereto, and the heirs, successors, assigns, executors and administrators of said parties. Also wherever used herein the singular includes the plural and the plural the singular.

The Mortgagor, in event of a foreclosure hereunder, hereby waives appraisalment of said premises, or not, at the option of the Mortgagee, to be declared when the Petition to foreclose is filed.

Mortgagor herewith covenants and agrees that during the term of the mortgage, title to the above described real estate shall be vested solely in Mortgagor and if at any time during said term, all or any part of said real estate shall not be so vested, the Indebtedness secured hereby shall, at the option of the Mortgagee, become immediately due and payable without notice.

All powers herein created are irrevocable by death and are cumulative to all other powers and remedies of every kind for the collection of the Indebtedness, or for the enforcement of this Mortgage, and any and all such powers and remedies may be pursued consecutively or concurrently as the Mortgagee may see fit, whether inconsistent or not.

As further security, Mortgagor hereby assigns to Mortgagee all rents, issues and profits at any time accruing for said property, reserving only the right to collect same for his own use as long as he is not in default hereunder. In the event of such default and during the existence of same, Mortgagee at its option may rent the property, and (by whomsoever rented) receive and collect all rents therefore. For such purposes, Mortgagee may enter upon the property as necessary, employ real estate or rental agents, and pay reasonable commissions for their services, all at Mortgagor's expense. And whether or not there is default hereunder, Mortgagee shall be entitled at its option to receive and collect all or any insurance proceeds payable by reason of loss or damage to said property, and all or any compensation payable for any taking or acquisition of said property or any part thereof by an authority exercising or threatening to exercise a power of eminent domain. Mortgagor hereby assigns to Mortgagee all such insurance proceeds and compensation.

Mortgage, to the extent permitted by law, hereby release and waives all rights and benefits of the homestead exemption laws of the State of Oklahoma as to all Indebtedness secured by this Mortgage.

The terms and conditions of this Mortgage shall be governed by South Carolina law to the extent not prohibited by Oklahoma law. The laws of the State of Oklahoma shall apply to this Mortgage **solely and only** with respect to enforcing the security, foreclosure, or release of the Mortgage lien securing the Note and Factoring Agreement Indebtedness obligations by way of this Mortgage on real property located in the State of Oklahoma, and all foreclosure actions, judicial or non-judicial sales, or other rights of enforcing this Mortgage shall be brought in a court of competent jurisdiction located in the applicable jurisdiction in Oklahoma where this Property Mortgage is recorded, or in accordance with the Mortgage. Notwithstanding anything to the contrary contained herein and for the avoidance of all doubt, the underlying obligations and Indebtedness secured by this Mortgage including, but not limited to, the Note and the Factoring Agreement, including any addendums or amendments to the Note or Factoring Agreement, shall be governed and construed solely and exclusively in accordance with the laws of the State of South Carolina, and any action or proceeding initiated related to the Note or Factoring Agreement, or any addendum or amendment thereto shall be brought exclusively in a court of competent jurisdiction located in Charleston County, South Carolina. The Parties all expressly agree this choice of law and venue clause is mandatory to the fullest extent permitted by law. By way of example, and without limiting the foregoing, South Carolina law shall solely and exclusively apply with respect to the interest, charges, and fees charged under the Note and Factoring Agreement, and any addendum or amendment to the Note or Factoring Agreement, as well as all usury laws and all consumer finance laws. Grantor/Mortgagor expressly covenants, agrees, and acknowledges that this transaction is a commercial transaction and not a consumer transaction or debt management services relationship with SouthStar, and therefor that the Oklahoma Consumer Protection Acts, Consumer Fraud Act, or any other Consumer Finance code or law of the State of Oklahoma does not apply to this Mortgage or any of the underlying obligations and Indebtedness. Further, and for the avoidance of any doubt, South Carolina law shall apply with respect to all matter related to the Note and Factoring Agreement, any addendums or amendments thereto, and all matters save and except solely for the foreclosure or enforcement of this Mortgage, to which Oklahoma law and procedure shall apply.

SIGNED AND DELIVERED as of the 8th day of June, 2023.

SG ECHO, LLC
A Delaware Corporation

BY: /s/ Paul Galvin
Paul Galvin
CEO & Authorized Person

NON-RECOURSE FACTORING AND SECURITY AGREEMENT

This NON-RECOURSE FACTORING AGREEMENT (the "Agreement") effective June 8, 2023 (the "Effective Date") between SG Echo, LLC, a Delaware limited liability company, having its place of business at 2917 Big Lots Dr., Durant, OK 74701, (hereinafter "Seller"), and SouthStar Financial, LLC, its affiliates, successors and/or assigns, as their interests may appear, having its place of business at 840 Lowcountry Blvd., Mount Pleasant, SC 29464 (hereinafter "Purchaser" and collectively with the Seller, the "Parties" or singularly a "Party").

As evidenced by the Parties' signatures below, and in consideration of the obligations as set forth in this Agreement and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Purchase of Accounts. From time to time, Seller may tender to Purchaser some or all of its Accounts which are defined as Seller's right to payment or "Payment Intangible", whether or not earned by performance: (i) for property that has been or is to be sold, leased, licensed, assigned or otherwise disposed of; (ii) for services rendered or to be rendered; or (iii) as otherwise defined in the UCC. All of Seller's said Accounts, irrespective of whether same are purchased by Purchaser are herein called "Account(s)." Purchaser is not obligated to purchase any Account tendered and shall have the right to purchase such Accounts tendered as Purchaser, in its sole and absolute discretion, shall determine. Purchaser will evidence its agreement to purchase specific Account(s) tendered by issuance of its check or wire transfer to Seller in the amount set forth in the Paragraph entitled "PAYMENT FOR ACCOUNTS." Purchaser may also issue a Grouped Schedule of Accounts upon which Purchaser, in its sole and absolute discretion, shall have the right to group said Accounts tendered. Said Accounts and/or grouped accounts, which are purchased, are hereinafter collectively called "Purchased Account(s)." The total outstanding funds sent from Purchaser to Seller to purchase the Accounts shall not exceed \$1,500,000.00, and Purchaser may reduce or increase this maximum amount in its sole discretion (the "Facility Amount").

2. Payment to Seller for Accounts. Upon acceptance of an Account for purchase, Purchaser will pay to Seller, as the Purchase Price for the Purchased Accounts, an amount up to eighty percent (80%) of the face amount thereof, or such lesser percentage as Purchaser and Seller shall agree upon (the "Purchase Price"). Seller shall deliver the original invoices relating to Purchased Accounts to Purchaser at such time, and such Purchased Accounts shall be deemed sold and assigned to Purchaser at such time without any formal or additional assignments being required.

[SouthStar Non-Recourse Factoring Agreement]

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3. Charges & Repayment. In consideration of the purchase of said Purchased Account(s), and in further consideration of Purchaser purchasing the Purchased Account(s), Seller agrees to pay Purchaser an amount equal to one and 95/100 percent (1.95%) of the face amount thereof for the first twenty-five (25) day period after payment for such Account is transmitted to Purchaser plus one and 25/100 percent (1.25%) for each additional fifteen (15) day period or part thereof, calculated from the date of purchase until payments received by Purchaser in collected funds on said Purchase Account(s) equals the Purchase Price of the Purchased Account(s) plus all Charges due Purchaser from Seller at the time. An additional one and 50/100 percent (1.50%) per fifteen (15) day period will be charged for Invoices exceeding sixty (60) days from advance date. The Seller may require additional funding in order to fund its ordinary and necessary business expenses ("Overadvance"), and the Purchaser may agree to provide the Overadvance in its sole discretion. In the event of an Overadvance, Seller agrees to pay Purchaser an amount equal to three and 90/100 percent (3.90%) of the amount of the Overadvance for the first twenty-five (25) day period after the Overadvance is transmitted to Purchaser plus two and 50/100 percent (2.50%) for each additional fifteen (15) day period or part thereof until payments received by Purchaser in collected funds equals the amount of the Overadvance, plus all Charges due Purchaser from Seller at the time. Under this Paragraph 3, for Purchased Accounts and Overadvances, funds are considered "collected funds" five (5) business days after receipt by Purchaser assuming same is in fact collected. However, Seller may tender to Purchaser a new Account in order to pay off an Overadvance and Purchaser, in its sole and absolute discretion, may purchase such Account. If Purchaser applies the Purchased Account to the Overadvance, funds are considered "collected funds" at the purchase of said Account.

Seller further agrees in consideration for the Purchased Accounts that Seller will pay a transactional administrative fee in the amount of Fifty and 00/100 Dollars (\$50) for each new Account Debtor submitted and an amount equal to zero and 25/100 percent (0.25%) of the face amount thereof that includes any handling, collecting, mailing, quality assuring, insuring the risk, transmitting, and performing certain data processing services with respect to the maintenance and servicing of the Purchased Accounts. All amounts payable by Seller to Purchaser pursuant to this Paragraph 3 are collectively referred to as "Charges." The calculation by Purchaser of all Charges pursuant to this Paragraph 3 shall be deemed proper and accepted by Seller, and Seller agrees to waive and forfeit any claim that the Charges are incorrect, unless Seller contests in writing the Charges within thirty (30) days following the end of the month when such Charge is calculated. Seller further acknowledges and agrees that the Charges set forth in this Paragraph 3, and all other fees and obligations payable by the Seller under this Agreement are valid and reasonable.

In order to recoup any unpaid Charges, collect payments misdirected to Seller by account debtors, or otherwise secure Seller's obligations to the Purchaser, Seller authorizes Purchaser to initiate electronic debit or credit entries through the ACH system to any deposit account of Seller, and Seller agrees to execute any ACH forms required by any financial institution in order to effectuate an ACH. The Seller agrees to be bound by the ACH rules set forth by the National Automated Clearing House Association ("NACHA").

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4. Payment to Seller Upon Collection. Provided Seller is not and has not been in default to Purchaser under this Agreement, Purchase Money Financing Addendum, any other addendum to this Agreement or other financial or leasing accommodation between the Parties or affiliates of the Parties, upon Purchaser's receipt of payment(s) on Purchased Accounts, Purchaser shall transfer to Seller on the Friday of the week following the receipt of payment(s) from the Account Debtor an amount equal to the difference between the amount of aggregate receipt of payments on the Accounts, less the sum of (a) the aggregate Purchase Price of such Purchased Accounts, (b) all Charges or other amounts or accruals then due Purchaser from Seller under this Agreement, and (c) any reasonable reserves Purchaser elects to establish to secure payment of any other Purchased Accounts for which substantial amounts remain unpaid or for any Account which Purchaser determines the credit quality of any account debtor is declining. The amount to be remitted to the Seller pursuant to this Paragraph 4 shall be deemed proper and accepted by Seller, and Seller agrees to waive and forfeit any claim that the amount of remittance is incorrect, unless Seller contests in writing the remittance amount within thirty (30) days following the end of the month when such Charge remittance is calculated.

5. Reserve Account. If the Purchaser believes in good faith that: (i) the credit risk of any Accounts are subject to a material change; (ii) any Account or Account Debtor will violate the Purchaser's underwriting standards; (iii) the Seller's financial position has deteriorated; (iv) an increased risk exists that Seller will default on any obligation whether under this Agreement, Purchase Order Financing Addendum, any other addendum, or any other agreement to provide financial accommodations or lease between the Seller and Purchaser or their affiliates (collectively, "Factoring Documents"); (v) a legal or indemnity risk exists related to the Factoring Documents that may require Purchaser to fund legal expenses and costs; or (vi) the Seller is in default of this Agreement, Purchase Money Financing Addendum, any other addendum, or any other agreement to provide financial accommodations or lease between the Seller and Purchaser or their affiliates, the Purchaser in its sole discretion may reduce the discount

percentage set forth in Paragraph 3, not make future purchases of Accounts, and/or establish a reserve account and holdback from payments due to the Seller under Paragraph 4 in order to provide adequate security (the "Reserve Account").

6. Purchaser's Right. At any time after purchase of the Account, Purchaser shall have the right to notify the "Account Debtor"—the person obligated to pay an Account—of Purchaser's rights with respect to the Account and to notify Account Debtor to make payment of the Account directly to Purchaser. Seller agrees that Purchaser may charge an administrative fee of 5% of the invoice amount for any Purchased Account payments received by Seller, hereinafter "misdirected payments," at Purchaser's sole discretion. If Seller shall be in Default (as hereafter defined) to Purchaser hereunder, Purchaser shall also have the right in its name to compromise or extend the time for payment of any Account for such amounts, and upon such terms as Purchaser may determine; to demand, collect, receive and sue for any and all amounts due or to become due on the Accounts, and to take control of cash and other proceeds of any Accounts. Seller hereby irrevocably authorizes any officer of Purchaser designated by Purchaser to act for Seller; to endorse Seller's name upon notes, acceptance, checks, drafts, money orders other evidence of payment or collateral that may come into Purchaser's possession; to sign Seller's name on any invoice, freight bill, bill of lading storage or warehouse receipt, or other instrument or document in respect to any Account; to sign Seller's name on notices to Account Debtors; to send notices and verifications of Accounts to and collect Accounts from Account Debtors, and to open Seller's mail and take and endorse payment for Accounts. Seller shall in all other ways do all acts and things necessary or appropriate to protect, preserve and realize upon the Accounts for the benefit of Purchaser and to carry out this Agreement and shall not interfere, directly or indirectly, with any of the rights given Purchaser in this Paragraph. Seller hereby ratifies and approves all acts of Purchaser's designated officer, and such officer shall not be liable for any acts of omission or commission, nor for any error of judgment or mistake of fact or law. The powers granted in this Paragraph are coupled with an interest and are irrevocable while any Purchased Accounts are unpaid or sums are otherwise owed by Seller to Purchaser and until this agreement is terminated.

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7. Representations, Warranties & Covenants. To induce Purchaser to Purchase Accounts from Seller, with full knowledge that the truth and accuracy of the following are being relied upon by the Purchaser in the purchase of and payment for the Purchased Accounts, Seller represents, warrants and covenants to Purchaser and agrees that: (a) Seller is the sole and absolute owner of each Account and has full legal right to make said sale, assignment and transfer thereof hereunder; (b) The correct amount owed on each Account is as set forth on the document tendering such Account to Purchaser and such amount is not in dispute; (c) The payment of each Account is not contingent upon the fulfillment of any obligation or condition, past or future, and any and all obligations required of the Seller with regard to such Account have been fulfilled by Seller; (d) Each Account is based on an actual sale and delivery of goods and/or services actually rendered for which an invoice has been tendered to the Account Debtor, is presently due and owing to Seller, is not past due or in default, has not been previously sold, assigned, transferred or pledged, and is free of any encumbrance or lien; (e) There are no defenses, offset, recoupment's, or counterclaims with respect to any of the Accounts and no agreement has been made under which the Account Debtor may claim any recoupment, deduction or discount, except as otherwise stated in any of the invoices submitted to Purchaser in connection with the tender of such Account for purchase (f) Upon purchase, Seller will convey to Purchaser good and marketable title to each Purchased Account free and clear of all liens and encumbrances which shall thereafter be the sole and exclusive property of the Purchaser; (g) Upon purchase, Seller will not contact or otherwise communicate with Debtor on such Purchased Account in relation to the payment being redirected to any party other than the Purchaser, without the express consent of Purchaser; (h) Each Account Debtor is not insolvent as the term is defined in the United States Bankruptcy Code; (i) All Accounts, now existing or hereafter arising, shall comply with each and every one of the representations, warranties, covenants and agreements referred to in this Paragraph and as otherwise supplemented pursuant to this Agreement; (j) All sales and other taxes imposed with respect to the Account have been remitted by Seller to the Internal Revenue Service or other state or local taxing authority, including – but not limited to – 941 withholding taxes; (k) All invoices with respect to Purchased Accounts shall state that the Account is payable to purchaser at purchaser's address; (l) No Purchased Account is evidenced by a note or other instrument; (m) if Seller does not meet the Minimum Amount listed in Paragraph 11.c., all payments received for unfactored invoices will incur a 2% administrative charge; and (n) Seller will not directly or indirectly influence any Account Debtor from making payment directly to Purchaser, and acknowledges and agrees that any breach of this representation or receipt of funds directly from an Account Debtor will constitute conversion and/or theft of Purchaser's property; (o) Seller has not entered or will not into any financial accommodation arrangement with any person who collects repayment by debiting an Account or Deposit Account of the Seller; and (p) Seller will not, during the term of this Agreement, sell, transfer, pledge, grant a security interest in, or hypothecate any of its Accounts to any party other than Purchaser.

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Seller agrees to reimburse Purchaser for actual out-of-pocket costs relating to UCC filings and searches incurred by Purchaser in connection with this Agreement. Each Purchased Account shall be the property of the Purchaser and shall be collected by Purchaser, and seller shall promptly endorse, transfer and deliver the same to the Purchaser. In addition to Purchaser's other remedies, failure to deliver said payment in kind to Purchaser within five (5) business days of receipt may result, at Purchaser's option, in an event of Default, as defined in Section 10(a), by Seller.. Seller will not change the state of its incorporation or formation, or its corporate or legal name, without the prior written consent of Purchaser. Seller will not create any new legal entities whatsoever without written consent by Purchaser which consent shall not be unreasonably withheld, conditioned or delayed.

8. Grant of Security Interest; Non-Recourse Nature. As security for the payment and performance of all Seller's present and future obligations to Purchaser under this Agreement, or otherwise for the payment and performance of any obligation owed to Purchaser by Seller pursuant to any other agreement or instrument, Seller hereby transfers and grants to Purchaser a first priority security interest in all of Seller's presently-owned and hereafter-acquired personal and fixture property, wherever located, including, without limitation, all Accounts, Goods, Chattel Paper, Inventory, Equipment, Instruments, Investment Property, Documents, Deposit Accounts, Commercial Tort Claims, Letters-of-Credit Rights, General Intangibles including Payment Intangibles, Patents, Software Trademarks, Trade Names, Customer Lists, Supporting Obligations, all proceeds and products of the foregoing, including without limitation, insurance proceeds, lock box contents and proceeds the Accounts of the Account Debtor (the "Collateral"). Said security interest shall be a first priority security interest described in Exhibit A attached hereto and made a part hereof and in any additional property, if any, listed in Exhibit B attached hereto and made a part hereof. The Collateral specifically includes, without limitation, Sellers' right to any and all returned or repossessed personal property from Account Debtors and also shall include all rights of replevin, reclamation, and stoppage in transit and all rights as a seller of goods. In the event of any default by Seller under this Agreement and/or pursuant to any obligation of Seller to Purchaser hereunder or otherwise, Purchaser shall have all rights with respect to the aforesaid Collateral and a secured party under the applicable UCC laws as hereinafter provided.

Seller hereby authorizes Purchaser to file Financing Statements and other documents, whether or not executed by Seller, describing the Collateral described above and ratifies the filing of such Financing Statements or other documents filed by Purchaser prior to the execution of this Agreement, Purchaser and Seller agree that subsequent to any termination hereof, Purchaser shall not be obligated, nor shall Seller be authorized, to release any Security Interests granted to Purchaser hereunder unless Purchaser and Seller have entered into a mutual general release to Purchaser's satisfaction. The provisions contained in this paragraph are a material inducement for execution of this Agreement by Purchaser. Any term used in the UCC and not specifically defined herein shall have the meaning given to the term in the UCC.

9. Indemnity, Waiver, and Release Seller agrees to indemnify and hold Purchaser harmless from all losses, causes of action, claims, proceedings or other liability asserted against Purchaser subsequent to the Effective Date related to this Agreement or the Factoring Documents, including reasonable legal fees and costs incurred by Purchaser in defense thereof. Seller shall not be required to indemnify and hold harmless Purchaser for any losses, liabilities or damages that were the result of Purchaser's bad faith, material dishonesty or gross negligence. The provisions of this Paragraph 9 shall survive the Term of this Agreement.

10. Default & Remedies.

a. *Occurrence of Default.* The occurrence of any one or more of the following events shall constitute ("Default") of this Agreement by Seller; (i) the material failure of Seller to perform any covenants or agreement contained herein; (ii) any warranty or representation of Seller made herein shall be materially untrue; (iii) ceases to do business as a going concern, merges with or into any corporation or other legal entity, sells substantially all of its assets, or changes its composition, form of business association or ownership without the prior written consent of Purchaser; (iv) the death of: (a) any Seller, if seller is an individual; (b) an individual operating as a sole proprietorship that is the Seller; (c) any person who owns 25% or more of the economic interests in the Seller or has 50% or more rights to control the operations of the Seller; or (d) any guarantor of this Agreement; (v) commits an act of bankruptcy, becomes insolvent or bankrupt, makes an assignment for the benefit of creditors or consents to the appointment of a trustee or receiver or has either appointed for Seller or a substantial part of its property, or has any bankruptcy reorganization or insolvency proceedings instituted against it; (vi) a tax lien shall be filed against Seller; (vii) Seller materially defaults under any agreement with any third party material to Seller's business or providing for the lease of real or personal property or the repayment of money and such default has been adjudicated by a court of competent jurisdiction; (viii) a judgment shall be entered against Seller which is not promptly satisfied or if a levy or attachment shall be filed against Seller or its property; (ix) if Purchaser reasonably deems itself insecure in its expectation that Seller will fully perform all of its obligations under this Agreement; (x) if another creditor of Seller, its parent or an affiliate of Seller asserts any rights in, claim or security interest against the Seller's Collateral, accounts or other property, including – but not limited to – offset, a security interest, foreclosure or otherwise; (xi) Seller enters into any financial accommodation arrangement with any person who collects repayment by debiting a Deposit Account of the Seller; and/or (xii) defaults under any Affiliated Agreements as defined in Subsection c., below. An event of Default shall not include the non-payment of a Purchased Account due to the breach without cause or insolvency of the Account Debtor for the Purchased Account.

b. *Remedies Upon Default.* In the event a Default shall occur and remain uncured in accordance with Paragraph 10(a): Purchaser may, in its sole discretion: (i) immediately terminate this Agreement, at which time all amounts due and owing under the Accounts shall immediately become due and payable without notice, institute default pricing on any and all open invoices and retain a reserve account from payments from all the Accounts that are Collateral; (ii) take possession of Collateral with or without judicial process; (iii) seek to place the Seller into receivership, or other applicable state law process, and request a court to appoint a receiver over the Seller; (iv) take control of goods relating to any Account Seller shall pay to Purchaser all other damages, costs and losses caused to Purchaser by reason of such Default, including, but not limited to reasonable attorneys' fees, court costs, other collection expenses and all other expenses and costs incurred or paid by Purchaser to obtain performance or to enforce any covenant or agreement of Seller hereunder; and (v) Purchaser shall have the right to enforce all rights which it may have with respect to the security interest granted to its pursuant to this Agreement, and specifically, not by way of limitation, to notify and require the U.S. Post Office to deliver Seller's mail to Purchaser, and to open Seller's mail and take and endorse for deposit in the name of Seller all payments received upon any of Seller's Accounts and to deposit same for benefit of Purchaser. In order to satisfy any of Seller's obligations to Purchaser, Seller authorizes Purchaser to initiate electronic debit or credit entries through the ACH system to any deposit account of Seller. Purchaser shall have no obligation to marshal any assets in favor of Seller or against or in payment of any of the obligations of Seller secured hereby. In addition to the Charges and other fees and obligations contained in the Agreement and due to the additional administrative burden caused by an Event of Default, Seller shall pay an additional default service charge of five percent (5%) of the amount of each Account collected by Purchaser after a default hereunder by Seller. Upon the event of a Default, Purchaser agrees to notify Seller in writing of said Default along with the Purchaser's approved cure period applicable to said Default ("Cure Period"). Upon receipt of such notice, Seller shall immediately commence the curing of such event and make a diligent effort to remedy the Default as quickly as possible and inform Purchaser of schedule to cure and progress thereto. The Cure Period can be anywhere from five (5) to ninety (90) days, subject to the severity of the Default, at Purchaser's sole discretion. If said Default cannot be fully remedied within the approved Cure Period, but can reasonably be expected to be fully remedied, Purchaser may extend the Cure Period, at its sole discretion, and such event shall not constitute a Default.

[SouthStar Non-Recourse Factoring Agreement]

c. *Cross-Default.* The Accounts provided for under this Agreement shall secure and may be used to satisfy each and every obligation and debt of the Seller under any and all agreements between the Parties, between a Party and an affiliate of the other Party, or between affiliates of the Parties ("Affiliated Agreements"). Upon the occurrence of Default under this Agreement, an event of default shall be deemed to have occurred under any and all Affiliated Agreements, and upon the occurrence of Default under an Affiliated Agreement, an event of Default shall be deemed to have occurred under this Agreement. Purchaser, in its sole discretion, shall be entitled to assert any and all rights and remedies against the Seller or its affiliates, and collect against any and all collateral, property or guaranty as provided for under this Agreement or Affiliated Agreement. This Paragraph is specifically intended by the Parties to be a cross-collateralization and cross-default provision so the collection rights, collateral and other property set forth in one agreement secures the debts and obligations of the other agreements, and vice-versa.

SELLER WAIVES ANY REQUIREMENT THAT PURCHASER INFORM SELLER BY AFFIRMATIVE ACT OR OTHERWISE OF ANY ACCELERATION OF SELLER'S OBLIGATIONS HEREUNDER. FURTHER, PURCHASER'S FAILURE TO CHARGE OR ACCRUE INTEREST OR FEES AT ANY "DEFAULT" OR "PAST DUE" RATE SHALL NOT BE DEEMED A WAIVER BY PURCHASER OF ITS CLAIM THERETO.

11. Term, Reinstatement & Minimum Amount.

a. *Term of Agreement.* This Agreement shall commence as of the date hereof and shall continue in force and effect for an initial term of thirty-six (36) months from the first day of the month following the date of the first Purchased Account is purchased ("Initial Term"). Unless terminated by Seller by providing notice to Purchaser in the manner required by Paragraph 15 not less than sixty (60) but not more than ninety (90) days before the end of the Initial Term, this Agreement shall automatically extend for an additional thirty-six (36) months ("Renewal Term"). Seller shall be required to provide the same notice during any and all Renewal Terms as set forth in the preceding sentence in order to terminate this Agreement, and if no notice is provided, the Renewal Term shall extend for an additional thirty-six (36) month period. All Renewal Terms and the Initial Term are collectively referred to as the "Term." In no event shall the Term expire prior to all of Seller's obligations to Purchaser under this Agreement being satisfied, and the Term will be extended until such time.

b. *Reinstatement.* Notwithstanding any termination of this Agreement, Seller hereby agrees that to the extent Purchaser receives any payment(s) from Seller on account of Seller's obligation to Purchaser hereunder, and such payment(s) are subsequently invalidated, declared to be preferential and/or required to be restored, returned or repaid to a trustee, receiver, or any other party upon any bankruptcy, insolvency, dissolution or liquidation of Seller, then to the extent of such invalidated payment(s), that portion of Seller's obligation hereunder intended to be satisfied thereby shall be deemed revived as if such payments(s) had not been received by Purchaser and all Purchaser's rights and remedies under this Agreement, including – but not limited to – those contained Paragraphs 8 and 10, shall be and remain applicable and in full force and effect.

c. *Minimum Amount.* Seller agrees that if Purchaser has not purchased Accounts in a quarterly period during any Initial and Renewal Term hereof which exceed fifty percent (50%) of the Facility Amount per calendar quarter, in which \$250,000.00 of the Purchased Accounts each month must be with ATCO Structures & Logistics (USA) Inc., ("Minimum Amount"), Seller agrees to pay to Purchaser, on demand, an additional amount equal to what the Charges provided for elsewhere herein

would have been on said Minimum Amount assuming the number of days from the date of purchase of said Minimum Amount until receipt of payment of said Minimum Amount is thirty one (31) days, less the actual Charges paid by Seller to Purchaser during said period.

d. *Early Termination Fee.* Should this Agreement be terminated by the Seller for any reason whatsoever, or by the Purchaser due to a Default, prior to the expiration of the Term, Seller shall pay the Purchaser an early termination fee equal to one hundred percent (100%) of the amount of the charges and one hundred percent (100%) of other accruals provided for under this Agreement, multiplied by the Minimum Amount, calculated for the period of time that remains on the Term ("Termination Fee").

[SouthStar Non-Recourse Factoring Agreement]

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12. Exclusive Relationship & Right of First Refusal. During the Term period as set forth in Paragraph 11, the Seller acknowledges and agrees that Purchaser has the exclusive right to purchase Accounts from (i) the Seller, (ii) any entity that is an affiliate of or related party to the Seller as defined under the laws of the 33' Securities Act or the Internal Revenue Code, (iii) an entity that is controlled directly or indirectly by the Seller or a person who is related or an affiliate of the Seller, or (iv) an entity or person to which the Seller, an affiliate or related party provide services. Any entity or person that is subject to the preceding sentence shall first offer to Purchaser to sell its accounts on the same terms and conditions set forth in this Agreement. In addition, Seller will provide notice to Purchaser as required under Paragraph 15 within ten (10) days of any legal and/or corporate changes in the Seller's, its affiliates' or related party's businesses, including – but not limited to – the formation of a legal entity, change in a legal structure of the Seller, change in location of the Seller, change in driver's license name, state or expiration of any Seller or Guarantor or the existence of any person or entity performing related or competing work or services that is either an affiliate or related party to the Seller as described in this Paragraph. The Seller acknowledges and agrees that this exclusive relationship and offer of first refusal to purchase Accounts is material and significant consideration for the Purchaser to enter into this Agreement.

13. No Notice of Assignment, Hypothecation, Pledge, etc. by Purchaser. The parties to this Agreement agree and acknowledge that the Purchaser may assign, transfer, convey, hypothecate or pledge any or all of its Purchased Accounts, security interests or other rights and/or obligations under this Agreement and any related agreements and documents to any person, including – but not limited to – any person or entity affiliated with the Purchaser or another creditor, without the prior written consent of and without giving notice to the Seller. The Seller further acknowledges and agrees that any assignee, transferee and/or creditor will acquire and assume all interest and rights to payments, enforcement of obligations and claims, and will act in the stead of the Purchaser in every regard whatsoever with respect to all rights and claims under this Agreement and all related agreements and documents. The Seller expressly agrees to this Paragraph and acknowledges the validity of any future assignment, transfer, hypothecation or pledge without the prior written consent of and without giving notice to the Seller, and agrees that any assignment, transfer, hypothecation or pledge by the Purchaser will not be asserted as the basis for any defense or claim against the Purchaser, transferee, assignee and/or creditor.

14. Account Disputes. Seller shall notify Purchaser promptly of and, if requested by Purchaser, will settle all disputes concerning any Purchased Account with Purchaser's prior approval, at Seller's sole cost and expense. Purchaser may, but is not required to, attempt to settle, compromise, or litigate (collectively, "Resolve") the dispute upon such terms as Purchaser in its sole discretion deem advisable, for Seller's account and risk and at Seller's sole expense, and Seller agrees to cooperate with Purchaser and do any action necessary to assist with a Resolve. Upon the occurrence of an Event of Default, Purchaser may resolve such issues with respect to any Account of Seller.

15. Notices. Notices required or permitted hereunder shall be in writing and shall be given by personal delivery, facsimile or certified or registered mail, postage prepaid, to the parties at their address hereinabove set forth. Such notices shall be deemed given when delivered or mailed as aforesaid. Either party shall have the right to change its address by notice as herein provided. Seller is required to provide notice to Purchaser within ten (10) business days of any change in driver's license name, state or expiration of any Seller or Guarantor.

[SouthStar Non-Recourse Factoring Agreement]

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16. Governing Law, Venue & Attorneys' Fees. This Agreement shall be interpreted, construed, and governed by and under the laws of the State of South Carolina, without regard to conflicts of law rules principles (whether of the State of South Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of South Carolina. In the event that any dispute whatsoever arises between the Parties in relation to or in any way in connection with this Agreement (a "Dispute"), the Dispute shall be brought exclusively in courts of competent jurisdiction in the State of South Carolina, County of Charleston, and the Parties irrevocably consent to the exclusive jurisdiction of the state and federal courts located in Charleston, South Carolina waiving any argument as to *form non-conviens*; provided however, the Purchaser may seek injunctive relief, a receivership or other equitable relief in another jurisdiction that is deems more appropriate in the Purchaser's sole discretion. Seller shall be liable for all attorney's fees and all other costs and expenses incurred by Purchaser related to this Agreement and the Factoring Documents.

17. WAIVER OF TRIAL BY JURY. IN RECOGNITION OF THE HIGHER COSTS AND DELAY WHICH MAY RESULT FROM A JURY TRIAL AND, TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING HEREUNDER, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Seller Acknowledgment:

18. Bankruptcy Waiver; Consent to Filing The Seller shall first receive the written approval and authorization of Purchaser prior to the commencement of any proceeding under any federal, state, or other law relating to bankruptcy, receivership, insolvency, or other debtor relief laws initiated by or against the Seller, whether voluntary or involuntary ("Insolvency Proceeding"), and should the written consent of Purchaser not be received prior to the commencement of an Insolvency Proceeding, the Seller shall consent to and/or join any filing made or position asserted by Purchaser to dismiss such Insolvency Proceeding based on the Seller's failure to receive Purchaser's written consent as required by this Agreement or any accompanying resolution. For the avoidance of doubt, Seller desires that this be an absolute condition precedent, and the Seller irrevocably waives, releases, and forfeits any objection, opposition, or other legal right it may have whatsoever to any filing made or position asserted by Purchaser based on this Agreement or any accompanying resolution. As such, the Seller shall not attempt to repudiate this contractual provision by any corporate action, file any pleading or other document in connection with an Insolvency Proceeding inconsistent with the provisions of this Agreement. If Purchaser wishes, in its sole discretion, to provide financial accommodations in connection with an Insolvency Proceeding, whether as a debtor in possession lender or otherwise, the Purchaser shall consent to and/or join any filing made or position asserted by Purchaser to provide such financing, and the Seller irrevocably waives, releases, and forfeits any objection, opposition, or other legal right it may have

19. Assignment by Purchaser. Purchaser, without notice to Seller, may assign and /or pledge all of Purchaser's rights hereunder to Purchaser's lender and/or insurance carrier ("Assignee"). Seller hereby consents to any such assignment and agrees that in such event, upon request of Assignee, it will render all acts, performance and payment directly to Assignee, and that said Assignee shall have all of Purchaser's rights here under but none of Purchaser's obligations.

20. No Waiver. Waiver by Purchaser of any breach or default of this Agreement or of any warranty, representation, covenant, obligation or guaranty herein shall not be construed as waiver of any subsequent breach or default. Failure by Purchaser to exercise any right or remedy hereunder shall not operate as a waiver of any subsequent breach or default. All rights and remedies are cumulative and not alternative. This Agreement contains the entire agreement of the parties and may not be modified except by a written agreement executed by Seller and Purchaser.

21. Severability. If any provision of this Agreement is held or found to be illegal, invalid or unenforceable by any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalid provision shall be deemed deleted here from, and the parties acknowledge and agree that any governmental authority, court, agency or exchange shall revise such provision to the minimum extent necessary to cure such violation. All other provisions in this Agreement shall nevertheless continue to be binding on the parties hereto and shall be of full force and effect.

22. Insurance Requirements. Seller will, at Sellers sole expense, during the Term or any renewal or extension thereof, carry in a standard company, for the protection of itself and Purchaser, comprehensive public liability insurance, including property damage, with limits of at least: bodily injury \$1,000,000.00 each person, \$2,000,000.00 each occurrence, and property damage \$1,000,000.00 each occurrence. Such insurance policy shall name Purchaser as an additional insured and a loss payee for property damage, shall be deposited with a paid receipt with Purchaser. In addition, Purchaser may require, and Seller will agree to carry life insurance policies on its key personal in an amount not to exceed \$250,000.00 per individual naming the Purchaser as the loss payee. The Seller agrees that none of the insurance policies required under this Paragraph shall not be canceled for any reason unless and until Purchaser is given fifteen (15) days' prior notice in writing by the insurance company. If Seller shall not comply with this Paragraph, Purchaser may, at its option, cause insurance as aforesaid to be issued, and in such event, Seller agrees to pay the premium for such insurance promptly upon Purchaser's demand or as a Charge.

23. Further Cooperation. The Parties agree to cooperate in good faith with one another in executing any amendments to this Agreement deemed necessary to confirm the intent of the Parties, including – but not limited to – correcting any clerical mistakes such as page numbers, typos, missing initials, etc., and each of the Parties agrees to execute and deliver such other and further instruments as may be necessary to implement fully the terms of this Agreement. The Parties further acknowledge and agree that the presence of clerical mistakes in the Agreement is not material and do not affect the enforceability of this Agreement.

24. Authority & Electronic Signatures. All corporate action on the part of the Seller and its officers, directors and stockholders necessary for the authorization, execution and delivery of the Agreement, and the performance of all obligations of the Seller hereunder have been taken prior to the execution of this Agreement. When executed and delivered by the Seller, this Agreement shall constitute valid and legally binding obligation of the Seller, enforceable against the Seller in accordance with its terms. By executing this Agreement, the Parties agree that the use of any electronic signatures is the legally binding equivalent of a handwritten signature and has the same validity and binding effect of a handwritten signature. The Seller further agrees that it will not, at any time, repudiate the validity of this Agreement or argue that its electronic signature is not legally binding. Seller will also not object to the admissibility of this Agreement in the form of an electronic record, the admissibility of a paper copy of an electronic version of the Agreement, or a paper copy of the Agreement bearing an electronic signature on the grounds that it is an electronic record or has an electronic signature that is not an original or not in its original form.

25. Reporting Requirements. The Seller agrees to provide to the Purchaser monthly Profit & Loss Statements, Balance Sheets, Accounts Receivable Aging Summaries, Accounts Payable Aging Summaries, proof of payment to the Internal Revenue Service or other state or local revenue agency in regards to any installment agreement, and proof of quarterly 941 deposits for the Seller. Seller agrees to provide annual tax returns and proof of tax payments to Purchaser as requested. Also, the Seller agrees to use its best efforts to provide the Purchaser with a Subordination Agreement with the Internal Revenue Service or other state or local revenue agency for their tax liabilities in the event that a tax liability is unsatisfied. Seller shall also provide unlimited online access to all financed accounts receivable data including AR aging and collection reports.

26. General Construction. Unless the context of this Agreement requires otherwise, references to the plural include the singular, the singular includes the plural, the part includes the whole, "including" is not limited and "or" has the inclusive meaning represented by the phrase "and/or". This Agreement supersedes and replaces any and all previous agreements between the parties.

*[This Space Left Intentionally Blank]
[Signature Pages to Follow]*

IN WITNESS WHEREOF, the undersigned does hereby execute this Agreement as of the date first above written.

SG Echo, LLC
(the "Seller")

/s/ Paul Galvin
(Seller Signature)
By: Paul M. Galvin

Seen & Acknowledged:

SOUTHSTAR FINANCIAL, LLC
(the "Purchaser")

/s/ Susan E. Linnney

By: Susan E. Linney

Its: Chief Operating Officer

EXHIBIT A
(Description of Collateral)

ALL DEBTOR'S ASSETS, NOW OWNED OR HEREAFTER ACQUIRED, INCLUDING, WITHOUT LIMITATION, ALL OF DEBTOR'S PRESENTLY OWNED AND HEREAFTER ACQUIRED PERSONAL AND FIXTURE PROPERTY WHEREVER LOCATED, INCLUDING, WITHOUT LIMITATION, ALL ACCOUNTS, GOODS, CHATTEL PAPER, INVENTORY, EQUIPMENT, INSTRUMENTS, INVESTMENT PROPERTY, DOCUMENTS, DEPOSIT ACCOUNTS, COMMERCIAL TORT CLAIMS, LETTERS-OF-CREDIT RIGHTS, GENERAL INTANGIBLES INCLUDING PAYMENT INTANGIBLES, PATENTS, SOFTWARE, TRADEMARKS, TRADENAMES, CUSTOMER LISTS, SUPPORTING OBLIGATIONS, AND ALL PROCEEDS AND PRODUCTS OF ALL THE FOREGOING, INCLUDING WITHOUT LIMITATION, INSURANCE PROCEEDS, LOCK BOX CONTENTS, AND PROCEEDS (THE "COLLATERAL"). THE COLLATERAL SPECIFICALLY INCLUDES, WITHOUT LIMITATION, DEBTOR'S RIGHTS TO ANY AND ALL RETURNED AND/OR REPOSSESSED PERSONAL PROPERTY FROM ACCOUNT DEBTORS AND ALSO SHALL INCLUDE ALL RIGHTS OF REPLEVIN, RECLAMATION, STOPPAGE IN TRANSIT, AND ALL RIGHTS AS A SELLER OF GOODS.

THIS SERVES AS NOTICE THAT PURSUANT TO AN AGREEMENT BETWEEN DEBTOR AND SECURED PARTY, DEBTOR AGREED NOT TO GRANT A SECURITY INTEREST IN ANY OF THE ABOVE COLLATERAL TO ANY OTHER PERSON WITHOUT THE EXPRESS WRITTEN PERMISSION OF SECURED PARTY OR PERMIT THE REPAYMENT OF ANY OBLIGATION TO ANOTHER PERSON THROUGH THE DEBITING OF A DEPOSIT ACCOUNT OR OTHER ACCOUNT. ACCORDINGLY, THE ACCEPTANCE OF ANY SECURITY INTEREST BY ANYONE OTHER THAN THE SECURED PARTY OR THE DEBITING OF DEBTOR'S ACCOUNTS IS LIKELY TO CONSTITUTE TORTIOUS INTERFERENCE WITH SECURED PARTY RIGHTS, TORTIOUS INTERFERENCE OF CONTRACT, OR COLLUSION.

IN THE EVENT THAT ANY ENTITY IS GRANTED A SECURITY INTEREST IN DEBTOR'S ACCOUNTS, CHATTEL PAPER, OR GENERAL INTANGIBLES CONTRARY TO THE ABOVE, SECURED PARTY ASSERTS A CLAIM TO THOSE ACCOUNTS, CHATTEL PAPER, GENERAL INTANGIBLES, AND/OR ANY PROCEEDS THEREOF RECEIVED BY SUCH ENTITY.

EXHIBIT B
(Additional Collateral)

Real Estate

"Legal Description of Real Estate"

A part of the SW/4 SW/4 of Section 18, Township 7 South, Range 9 East of the Indian Base and Meridian, in Bryan County, Oklahoma, described as Beginning at the Northwest corner of the SW/4 SW/4 of said Section 18; Thence South 89 degrees 50 minutes 02 seconds East 1293.60 feet; Thence South 00 degrees 06 minutes 46 seconds East 445.87 feet to the True Point of Beginning; Thence South 00 degrees 06 minutes 46 seconds East 544.13 feet; Thence North 89 degrees 50 minutes 02 seconds West 1295.55 feet; Thence North 544.24; Thence South 89 degrees 50 minutes 02 seconds East 1294.48 feet to the Point of Beginning.

Commonly Known As: 101 Waldron Road,
Durant OK (Bryan County)
Property ID: A399-18-07S-09E-3-011-0

Forklift

- Hyundai Forklift
 - o Make: Hyundai
 - o Model: 160D-9
 - o Type: Diesel
 - o Product Identification Number: HHKHFT23EK0000440

EXHIBIT B
(Additional Collateral)

Crane System

- Rossi iC 272 FE
 - o i: 22.32
 - o Date: 2022/05
 - o M.P.: B3
 - o Code: RC00064539
 - o Serial Number: 7991973
 - o WA: 2545120
- Rossi iC 272 FE
 - o i: 22.32
 - o Date: 2022/05
 - o M.P.: B3
 - o Code: RC00064539
 - o Serial Number: 7991975
 - o WA: 2545120
- Rossi iC 272 FE
 - o i: 22.32
 - o Date: 2022/05
 - o M.P.: B3
 - o Code: RC00064539
 - o Serial Number: 7991967
 - o WA: 2545120
- Rossi iC 272 FE
 - o i: 22.32
 - o Date: 2022/05
 - o M.P.: B3
 - o Code: RC00064539
 - o Serial Number: 7991980
 - o WA: 2545120

EXHIBIT B
(Additional Collateral)

Crane System (Continued)

- Hoist & Motor Driven Troller
 - o Model: WB3M
 - o Order No.: 539595415

- o Date: 09/2019
 - o Serial No.: G32124WJ
- Hoist & Motor Driven Troller
 - o Model: WB3M
 - o Order No.: 544779258
 - o Date: 06/2020
 - o Serial No.: G34826QK
- Hoist & Motor Driven Troller
 - o Model: WB3M
 - o Order No.: 539595433
 - o Date: 11/2019
 - o Serial No.: G35743XJ
- Hoist & Motor Driven Troller
 - o Model: WB3M
 - o Order No.: 539595421
 - o Date: 10/2019
 - o Serial No.: G32470WJ

[Exhibit B - Additional Collateral - SouthStar Non-Recourse Factoring Agreement]

SECURED CONTINUING CORPORATE GUARANTY

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Safe & Green Holdings Corp., a Delaware corporation, for its assigns and successors in interest, by and through the hand and seal of the undersigned authorized representative (collectively, the “**Guarantor**”), hereby guaranties to SouthStar Financial, LLC, a South Carolina limited liability company, its affiliates, successors, and/or assigns, as their interests may appear (collectively, the “**Company**”), that SG Echo, LLC (the “**Obligor**”), shall promptly and fully perform, pay, and discharge all of its present and future liabilities, obligations, and indebtedness to the Company (the “**Guaranty**”) arising from the Non-Recourse Factoring and Security Agreement dated June 8, 2023, the Secured Commercial Promissory Note dated June 8, 2023, and any amendments, modifications, and addendums thereafter (collectively, the “**Loan Documents**”), whether direct or indirect, joint or several, absolute or contingent, secured or unsecured, matured or unmatured, and whether originally contracted for or otherwise acquired by the Company (all of which liabilities, obligations, and indebtedness are herein individually and collectively called the “**Indebtedness**”).

This Guaranty is an absolute guaranty of payment and not of collectability. The liability of the Guarantor hereunder is not conditional or contingent upon genuineness, validity, sufficiency, or enforceability of the Indebtedness or any instruments, agreements, or chattel paper related to the Loan Documents or any security or collateral therefore (collectively called “**Security**”) or the pursuit by the Company of any rights or remedies which it has or may hereafter have. If the Obligor fails to pay the Indebtedness promptly as the same becomes due, or otherwise fails to perform any obligation under the Loan Documents, the Guarantor agrees to pay on demand the entire Indebtedness and all losses, costs, attorneys’ fees, and expenses which may be suffered by the Company by reason of the Obligor’s default or the attorneys’ fees and expenses which may be suffered by the Company by reason for the Obligor’s default or the default of any Guarantor hereunder, and agrees to be bound by and to pay on demand any deficiency established by the sale of any of the Indebtedness or Security, all without relief from valuation and appraisal law and without being required by the Company to: (i) proceed against the Obligor by suit or otherwise; (ii) foreclose, proceed against, liquidate, or exhaust any of the Security subject to the Loan Documents; or (iii) exercise, pursue, or enforce any right or remedy the Company may have against the Obligor, any other guarantor (whether hereunder or under a separate instrument) or any other party.

The Guarantor agrees that: (1) this Guaranty shall not be discharged or affected by any circumstances which constitute a legal or equitable discharge of a guarantor or surety, other than full payment of the Indebtedness, or by the death of the Guarantor; (2) the records of the Company shall be received as conclusive evidence of the amount of the Indebtedness at any time owing; (3) one or more successive or concurrent suits may be brought and maintained against any or all of the guarantors for the Indebtedness, at the option of the Company, with or without joinder of the Obligor of any of the other guarantors as parties thereto, at the option of the Company; (4) such Guarantor will not avail itself of any defense whatsoever that the Obligor may have against the Company, other than full payment of Indebtedness; and (5) such Guarantor will not seek a change of venue from any jurisdiction or court in which any action, proceeding, or litigation is commenced.

[Continuing Corporate Guaranty of Safe & Green Holdings Corporation]

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This Guaranty shall be terminated only by full payment of the Indebtedness to the Company. The Guarantor agrees that enforceability of this Guaranty continues even if the Company’s claim against the Obligor becomes unenforceable or uncollectable by operation of law or act of God.

To induce Company to extend further financing under the Loan Documents with the Obligor, with full knowledge that the truth and accuracy of the following are being relied upon by the Company in extending the financing to the Obligor, Guarantor represents, warrants, and covenants to Company that the individual executing this instrument is an authorized representative of Guarantor, duly authorized and empowered to bind Guarantor to the obligations contained herein.

EACH GUARANTOR HEREBY WAIVES NOTICE OF ANY ADVERSE CHANGE IN THE OBLIGOR’S CONDITION OR OF ANY OTHER FACT WHICH MIGHT MATERIALLY INCREASE SUCH GUARANTOR’S RISK, WHETHER OR NOT THE COMPANY HAS KNOWLEDGE OF THE SAME. UNTIL FULL PAYMENT OF THE INDEBTEDNESS, EACH GUARANTOR ALSO HEREBY WAIVES ANY CLAIM, RIGHT, OR REMEDY WHICH SUCH GUARANTOR MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST THE OBLIGOR THAT ARISES HEREUNDER AND/OR FROM THE PERFORMANCE BY ANY GUARANTOR HEREUNDER INCLUDING, WITHOUT LIMITATION, ANY CLAIM, REMEDY, OR RIGHT OF SUBROGATION, REIMBURSEMENT, EXONERATION, CONTRIBUTION, INDEMNIFICATION, OR PARTICIPATION IN ANY CLAIM, RIGHT, OR REMEDY OF THE COMPANY AGAINST THE OBLIGOR OR ANY SECURITY WHICH THE COMPANY NOW HAS OR HEREAFTER ACQUIRES; WHETHER OR NOT SUCH CLAIM, RIGHT OR REMEDY ARISES IN EQUITY, UNDER CONTRACT, BY STATUTE, UNDER COMMON LAW OR OTHERWISE.

The Guarantor hereby waives (i) notice of acceptance hereof and notice of extensions of advances given by the Company to the Obligor from time to time; (ii) presentment, demand, protest, and notice of non-payment or protest as to any note or other evidence of the Indebtedness signed, accepted, endorsed, or assigned to the Company by the Obligor; (iii) all exemptions and homestead laws; (iv) any other demands and notices required by law; and (v) any right to trial by jury as more fully waived below.

The Company may, at any time and from time to time, without notice to or the consent of any Guarantor, and without affecting or impairing the obligation of any Guarantor hereunder: (a) renew, extend, or restructure any part or all of the Indebtedness of the Obligor or of its customers, of any other guarantor (whether hereunder or under a separate instrument) or of any other party; (b) accept partial payments of the Indebtedness and apply such payments to any part of the Indebtedness; (c) settle, release (by operation of law or otherwise), compound, compromise, collect, or liquidate, in any manner, any of the Indebtedness or any Security; (e) bid and purchase at any sale of any of the Indebtedness or the Security; and (f) exercise any and all rights and remedies available to the Company by law or agreement even if the exercise thereof may affect, modify, or eliminate any rights or remedies which a Guarantor may have against the Obligor.

Each Guarantor shall continue to be liable under this Guaranty, the provisions hereof shall remain in full force and effect, and the Company shall not be estopped from exercising any rights hereunder, notwithstanding (i) the Company’s waiver of or failure to enforce any terms, covenants, or conditions contained in the Loan Documents; (ii) any release or failure on the part of the Company to perfect any security interest in or foreclose, proceed against, or exhaust any Security; or (iii) the Company’s failure to take new, additional, or substitute security or collateral for the Indebtedness.

[Continuing Corporate Guaranty of Safe & Green Holdings Corporation]

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Each Guarantor agrees that the Company, in its sole discretion, may bring any legal proceedings it deems necessary to enforce any or all of such Guarantor’s obligations hereunder in any state or federal court located either in: (i) Charleston County, South Carolina, or (ii) the jurisdiction where the Guarantor is located, and the Parties hereby waive any objection that they may have based upon lack of personal jurisdiction, improper venue, or forum *non conveniens*. This Guaranty shall be deemed to be a contract made under the laws of the State of South Carolina and for all purposes shall be governed by and construed in accordance with the laws of the said State without regard to principles of conflicts of law. All rights and remedies of the Company are cumulative and not alternative. Each provision of this Guaranty is intended to be severable. If any term or provision hereof is declared to be contrary to, prohibited by, or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining terms and provisions hereof.

The parties to this Guaranty agree and acknowledge that the Company may assign, transfer, convey, hypothecate, or pledge any or all of its rights and/or obligations under this Guaranty and any related agreements and documents to any person, including—but not limited to—any person or entity affiliated with the Company or another creditor without the prior written consent of and without giving notice to the Guarantor. The Guarantor further acknowledges and agrees that any such assignee, transferee, and/or creditor will acquire and assume all interest and rights to payments, enforcement of obligations and claims, and will act in the stead of the Company in every regard whatsoever with respect to all rights and claims under this Guaranty and all related agreements and documents. The Guarantor expressly agrees to comply with this Section and acknowledges the validity of any future assignment, transfer, hypothecation, or pledge without the prior written consent of and without giving notice to the Guarantor, and agrees that any assignment, transfer, hypothecation, or pledge by the Company will not be asserted as the basis for any defense or claim against the Company, transferee, assignee, and/or creditor.

The execution and delivery by Guarantor of this Agreement has been duly authorized by all necessary corporate or organizational action, and the execution and delivery by Guarantor of this Agreement constitutes a legal, valid, and binding obligation of Guarantor and is enforceable in accordance with its terms.

WAIVER OF TRIAL BY JURY; IN RECOGNITION OF THE HIGHER COSTS AND DELAY WHICH MAY RESULT FROM A JURY TRIAL AND, TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (A) ARISING HEREUNDER, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

*[THIS SPACE LEFT INTENTIONALLY BLANK]
[SIGNATURE PAGES TO FOLLOW]*

[Continuing Corporate Guaranty of Safe & Green Holdings Corporation]

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IN WITNESS WHEREOF, the Guarantor, by the hand and seal of its authorized representative, has executed this Guaranty on this date set forth in the acknowledgement.

SIGNED, SEALED, AND DELIVERED

Safe & Green Holdings Corporation

/s/ Paul Galvin

By: Paul Galvin

Its: Director, Chairman, CEO, and Authorized Person

[Sig Page – Continuing Corporate Guaranty of Safe & Green Holdings Corporation]

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CROSS DEFAULT & CROSS-COLLATERALIZATION AGREEMENT

THIS CROSS-DEFAULT AND CROSS COLLATERALIZATION AGREEMENT (the “Agreement”) effective as of the 8th day of June, 2023, by and between **SouthStar Financial, LLC**, a South Carolina limited liability company (“*SouthStar*”), **SG Echo, LLC**, a Delaware limited liability company (“*SG Echo*”), and **Safe & Green Holdings Corp. f/k/a Sg Blocks, Inc.**, a Delaware corporation (“*SG Holdings*” and together with SG Echo, the “*Makers*”, and collectively the Makers and SouthStar shall be referred to herein as, the “*Parties*” or, singularly, a “*Party*”).

WHEREAS, SouthStar is making the following extensions of credit or specialty financing to SG Echo, which is guaranteed by the Corporate Guaranty of SG Holdings, as evidenced by the separate secured commercial promissory note(s), factoring agreements, real property mortgage, guaranty agreements, security agreements, and other related transaction documents bearing the original principal amounts or maximums listed below being of even date herewith (collectively hereinafter referred to as the “*Obligations*”):

	Maker	Obligation	Original Principal Amount
(1)	Sg Echo, LLC	Secured Commercial Note Dated June 8, 2023	\$1,750,000.00
(2)	SG Echo, LLC	Non-Recourse Factoring And Security Agreement Dated June 8, 2023, including all amendments and addendums thereto	\$1,500,000.00*
(3)	Safe & Green Holdings Corp. f/k/a SG Blocks, Inc.	Corporate Guaranty Agreement	

*Factoring Agreement line is up to the maximum principal amount stated, subject to future amendments.

WHEREAS, SouthStar has requested that each Obligation executed by each Maker be secured by the same collateral and that a default under any of the Obligations, including any Note, Factoring Agreement, Security Agreement, Guaranty, or any of the documents securing or providing collateral in any manner for the same shall be deemed to be a default in the other Obligations, and Makers have agreed to such requests; and

NOW, THEREFORE, in consideration of the above premises, the extension of credit and specialty financing by SouthStar, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned does hereby covenant and agree as follows:

1. A default by a maker under any Obligation identified herein, or under any collateral documents securing same including, but not limited to those identified in the attached **Exhibit 1**, shall, at the sole election of SouthStar, constitute an act of default under the other of such Obligations or collateral documents and SouthStar shall be entitled, but not required, to accelerate maturity of the indebtedness evidenced thereby and exercise any and all remedies, rights, and powers available to it under the terms of any such Obligations or collateral documents including, but not limited to those listed as **Exhibit 1**.

2. Any collateral given, pledged, granted, assigned or conveyed to SouthStar by a Maker as security or collateral for any of the Obligations referred to above, shall also secure the other Obligations, whether such collateral shall be real, personal, or contract rights of intangibles, and without regard to specific references in such collateral documents to Obligations or amounts secured thereby.

3. SouthStar shall have the right, in its sole discretion, to determine the order in which SouthStar’s rights in or remedies against the Obligations and the collateral securing the same are to be exercised, which types of the collateral or which portions of the collateral are to be proceeded against and the order of application for proceeds of the collateral and against particular Obligations, notes, Factoring Agreement(s), loans, extensions of funds, or other obligations of Maker. Any collateral surplus due to liquidation hereunder can be applied to any and all loans and/or Obligations of Maker in the order determined by SouthStar in its sole discretion.

4. It is the intention of each of the undersigned that the provisions of this Agreement are hereby incorporated by reference into, and made part of, each of the Obligations, Notes, Guaranty Agreement, Factoring Agreement, security and collateral instruments identified in **Exhibit 1**, and all other documents securing same.

[Remainder of page intentionally left blank. Signature pages to follow.]

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed this 8th day of June, 2023.

WITNESSES:

/s/ Mary Galvin
/s/ Annette Metzger

MAKERS:

SG ECHO, LLC,
a Delaware limited liability company

By: /s/ Paul Galvin
Name: Safe & Green Holdings Corp.
Title: Sole and Managing Member

By: Paul M. Galvin
Its: Director, Chairman, CEO & Authorized Person

SAFE & GREEN HOLDINGS CORP.,
a Delaware corporation

/s/ Mary Galvin
/s/ Annette Metzger

By: /s/ Paul Galvin
Name: Safe & Green Holdings Corp.
Title: Sole and Managing Member

By: Paul M. Galvin
Its: Director, Chairman, CEO & Authorized Person

EXHIBIT 1

Non-Exhaustive List of Security Instruments and Collateral Documents

Non-Recourse Factoring and Security Agreement Dated as of June 8, 2023

- All Addendums and Modifications thereto
- Validity of Collateral Guaranty
- Confession of Judgment

Secured Commercial Promissory Note dated as of June 8, 2023

- Mortgage for 101 Waldron Road, Durant OK (Bryant County, OK)
 - o Recorded _____
 - o Property ID: A399-18-07S-09E-3-011-00
 - o Deed in Escrow Addendum for 101 Waldron Road, Durant OK (Bryant County, OK)
 - o Confession of Judgement

UCC-1 Financing Statements

- Filing Number: 2023 35344634
 - o Filing date: 05/11/2023
 - o State of filing: Delaware
 - o Lienholder: C T Corporation System, as representative for SouthStar.
- Filing Number: 2023 51102045860
 - o Filing date: 05/11/2023
 - o State of filing: Oklahoma
 - o Lienholder: First Corporate Solutions, as representative for SouthStar.

Corporate Guaranty Agreement.