

POSTPONEMENT AGREEMENT

THIS AGREEMENT made and effective the ___ day of _____, _____.

BETWEEN:

«**BORROWER**», a corporation incorporated under the laws of _____ (hereinafter called the "Borrower")

OF THE FIRST PART

and

«**LENDER**», a corporation incorporated under the laws of _____ (hereinafter called the "Lender")

OF THE SECOND PART

and

«**BANK**», located at _____ (hereinafter called the "Bank"),

OF THE THIRD PART

WHEREAS:

- A. The Lender has registered a financing statement against the name of the Borrower pursuant to the *Personal Property Security Act* (_____) (the "Act") as Instrument No. _____ (the "Prior Registration") with respect to a security Agreement (the "Lender Security") over all of the present and after-acquired personal property of the Borrower (the "Collateral");
- B. The Bank has registered a financing statement against the name of the Borrower pursuant to the Act as Instrument No. _____ (the "Subsequent Registration") with respect to a security agreement (the "Bank Security") over the Collateral;
- C. The parties hereto have agreed to enter into this Agreement in order to set the respective priorities of the Lender Security and the Bank Security.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and other good and valuable consideration the parties hereto hereby covenant, undertake, declare and agree as follows:

- 1. Each of the Bank, the Lender and the Borrower declare, covenant and agree that, with respect to the Collateral, both present and future, the Lender Security is hereby postponed and subordinated in all respects to the security constituted by the Bank Security.