

SUBORDINATION AGREEMENT

THIS AGREEMENT made effective the ____ day of _____, _____.

BETWEEN:

POSTPONING CREDITOR
(the "Postponing Creditor")

OF THE FIRST PART

- and -

SENIOR CREDITOR
(the "Senior Creditor")

OF THE SECOND PART

- and -

BORROWER
(the "Borrower")

OF THE THIRD PART

WHEREAS:

- A. The Senior Creditor and the Debtor have entered into a loan agreement dated the ____ day of _____, _____ (the "Loan Agreement");
- B. The Debtor is indebted to the Postponing Creditor in the principal amount of \$_____ as evidenced by a promissory note in such principal amount (the "Subordinated Debt"); and
- C. The Postponing Creditor has agreed to subordinate and postpone the Subordinated Debt to all indebtedness from time to time outstanding under the Loan Agreement upon and subject to the terms and conditions contained in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. In this Agreement, "Event of Default" shall have the meaning attributed to such term in the Loan Agreement and the words "cash, property or securities" shall be deemed not to include any shares in the capital of the Debtor now or hereafter issued and outstanding, or any securities of the Debtor or any successor corporation, the payment of which securities is subordinated, at least to the extent provided for in this Agreement with respect to the Subordinated Debt, to the payment of all Senior Indebtedness which may at the time be outstanding, provided that the Senior Indebtedness is assumed by any successor corporation to the Debtor.