



Subordination Agreement

Document 2081A

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SUBORDINATION AGREEMENT

This SUBORDINATION AGREEMENT (this “**Agreement**”) is made and entered into as of this ____ day of ____, 20__, by and between [NAME OF BANK], a _____ [institution], (“**Lender**”) and [NAME OF CREDITOR], a _____ [corporation] (the “**Creditor**”).

RECITALS

WHEREAS, [NAME OF BORROWER], a _____ corporation (“**Borrower**”) intends to incur indebtedness to Creditor in an amount equal to \$_____. Such indebtedness will be evidenced by the Creditor Notes and the repayment thereof will be secured by a security interest in the Subordinated Debt Collateral.

WHEREAS, Borrower and Lender have entered into a financing arrangement pursuant to which the Lender has provided and will continue to provide Borrower with [type of financing] and other financial accommodations, all as more fully described in the [Loan/Credit Agreement]. All liabilities and obligations of Borrower to Lender under the [Loan/Credit Agreement] are secured by the Senior Debt Collateral. The [Loan/Credit Agreement] prohibits Borrower from incurring additional indebtedness like the indebtedness to Creditor contemplated in the Recital above and granting to Creditor a security interest in the Subordinated Debt Collateral without Lender’s consent.

WHEREAS, Lender is willing to consent to Borrower incurring additional indebtedness as contemplated by above and granting Creditor a security interest in the Subordinated Debt Collateral, provided that Creditor enter into this Agreement with Lender.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lender and Creditor hereby agree as follows:

1. **Definitions.** For purposes of this Agreement, the following terms shall be defined in the following manner:

(a) “**Creditor Notes**” shall collectively mean, the ____% Junior Subordinated Convertible Notes, made by Borrower and payable to the order of the Creditor in an aggregate principal amount of \$_____ as described in the [NAME OF PURCHASE AGREEMENT] and on Exhibit A attached hereto, as such notes may be amended, supplemented or restated from time to time.

(b) “**Code**” shall mean the Uniform Commercial Code as in effect in the [STATE] from time to time.

(c) “**Event of Bankruptcy**” shall mean any of the following: (i) the filing by Borrower of a voluntary petition in bankruptcy under any provision of any bankruptcy law (including, without limitation, the Bankruptcy Code, 11 U.S.C. §101-1331) or the filing by Borrower of any other petition to take advantage of any receivership or insolvency laws,

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including, without limitation, any petition seeking the dissolution, winding up, total or partial liquidation, reorganization, composition, arrangement, adjustment or readjustment or other relief of Borrower, Borrower's debts or Borrower's assets; (ii) the admission in writing by Borrower of its inability to pay its debts generally as they become due; (iii) the appointment of a receiver, liquidator, trustee, custodian or other similar official for Borrower or all or a material part of Borrower's assets; (iv) the filing of any petition against Borrower under any provision of any bankruptcy law (including, without limitation, the Bankruptcy Code, 11 U.S.C. §101-1331) or any other receivership or insolvency law, including, without limitation, any petition seeking the dissolution, winding up, total or partial liquidation, reorganization, composition, arrangement, adjustment or readjustment or other relief of Borrower, Borrower's debts or Borrower's assets; (v) an assignment by Borrower for the benefit of creditors or any other marshalling of the assets and liabilities of Borrower; or (vi) any corporate action taken by Borrower to authorize any of the foregoing.

(d) “[**Loan/Credit Agreement**]” shall mean the [Name of] Agreement dated as of [DATE] between Lender and Borrower, together with all amendments, modifications, and supplements thereto and all renewals, extensions and restatements thereof.

(e) “[**Note Purchase Agreement**]” shall mean the Note Purchase Agreement dated as of [DATE] between Borrower and Creditor, together with all amendments, modifications, supplements thereto and all renewals, extensions and restatements thereof.

(f) “[**Senior Debt**]” shall mean all present and future obligations, liabilities and indebtedness of Borrower to Lender, including, without limitation (i) principal, premium, if any, and interest (including, without limitation, interest accruing after the commencement of a case under the Bankruptcy Code, 11 U.S.C. §101-1331, regardless of whether such interest is paid to Lender) on loans, advances, accommodations or other extensions of credit by Lender to or for the benefit of Borrower (including Borrower operating as Debtor or Debtor in Possession under the Bankruptcy Code, 11 U.S.C. §101-1331 (the “[**Bankruptcy Code**]”), whether now outstanding or hereafter made and however evidenced, (ii) amounts owing by reason of guarantees by Lender of Borrower's indebtedness to others, (iii) accrued interest, costs, attorneys fees and expenses incurred by Lender in enforcing Lender's rights in the event of a default by Borrower in its obligations to Lender, (iv) all other indebtedness (matured and unmatured) for which Borrower is now, or at any time hereafter may be, liable to Lender in any manner, whether primarily or secondarily, absolutely or contingently, directly or indirectly, including all indebtedness arising directly out of transactions between Borrower and Lender or out of transactions acquired by Lender outright, conditionally or as collateral security from another person or entity and (v) in the case of all of the foregoing, any and all renewals and extensions of all or any part thereof.

(g) “[**Senior Debt Collateral**]” the property of Borrower described on Exhibit B attached hereto, and all proceeds thereof.

(h) “[**Senior [Loan/Credit Agreement]s**]” the [Loan/Credit Agreement], together with (i) all other instruments, documents and agreements executed by Borrower and/or Lender in

connection therewith, (ii) all other financing agreements, security agreements and instruments now or hereafter existing between Lender and Borrower, (iii) all amendments, modifications, and supplements to any one or more of the foregoing and (iv) all renewals, extensions, restatements, refunding or refinancing of any one or more of the foregoing.

(i) **“Subordinated Agreements”** shall collectively mean, the Creditor Notes, the Note Purchase Agreement, and all [Loan/Credit Agreement]s, security agreements and other documents relating thereto, together with all amendments, modifications, and supplements to any one or more of the foregoing and all renewals, extensions and restatements of any one or more of the foregoing.

(j) **“Subordinated Debt”** shall mean all of Borrower's obligations, liabilities and indebtedness now or hereafter owed to Creditor pursuant to the Subordinated Agreements, and all costs and expenses (including attorneys' fees) owing by Borrower to Creditor in connection with the exercise of the Creditor's rights under, and the enforcement of, the Subordinated Agreements.

(k) **“Subordinated Debt Collateral”** shall mean all property of Borrower in which Creditor is granted a security interest to secure all or any portion the Subordinated Debt.

2. **Subordination.** Subject to the provisions of Section 3 of this Agreement, Creditor hereby agrees to subordinate, and does hereby subordinate: (a) the payment by Borrower of all or any part of the Subordinated Debt to the full and final payment and satisfaction of the Senior Debt; and (b) all liens on, and security interests in the Subordinated Debt Collateral to the liens and security interests of Lender in the Senior Debt Collateral.

3. **Permitted Payments to Creditor.**

(a) Notwithstanding anything to the contrary herein contained, provided no Event of Default (as defined in the Senior [Loan/Credit Agreement]) exists or is continuing or that the making of a Permitted Payment (as hereinafter defined) would cause such an Event of Default Borrower may make and Creditor may retain regularly scheduled semi-annual payments of interest on the Creditor Notes of \$_____ payable in arrears in cash, commencing [DATE] (each a **“Permitted Payment”**), subject to adjustment, as necessary, to include interest payments due on the PIK Notes (as hereinafter defined).

(b) Notwithstanding anything to the contrary herein contained, Creditor may accept notes, substantially in the form attached hereto as Exhibit C (each a **“PIK Note”**) bearing a legend as required by this Agreement in lieu of scheduled payments of interest on the Creditor Notes or the PIK Notes on or before [DATE], regardless of whether an Event of Default has occurred or is continuing; provided that all such notes are subject hereto. Creditor shall furnish Lender copies of any such PIK Notes, which shall be deemed Creditor Notes for purposes of this Agreement.

(c) Creditor shall be entitled to retain any Permitted Payment made pursuant to paragraph (a) above; provided that Creditor has not received written notice from Lender that an Event of Default existed or was continuing or occurred as a result of making a Permitted Payment and sixty (60) days has lapsed from the date Creditor received any such Permitted Payment.

(d) Should Creditor receive (i) a payment in any form and from any source with respect to the Subordinated Debt (including without limitation pursuant to any redemption rights granted to Creditor under the Creditor Notes or otherwise), other than a payment permitted to be made under paragraph (a) of this Section 3, or (ii) any Senior Debt Collateral or proceeds thereof, Creditor shall immediately deliver to Lender, for application against the Senior Debt, in the form received (except for proper endorsements or assignments, if necessary), such payment or Senior Debt Collateral. Pending such delivery Creditor shall hold such payment or Senior Debt Collateral in trust for the account of Lender.

4. Enforcement of Creditor's Rights.

(a) Creditor shall not accelerate the maturity or payment of any Subordinated Debt or assert, participate in or bring any sort of action, suit or proceeding, either at law or in equity, for the enforcement, collection or realization of all, or any part of, the Subordinated Debt, unless:

(i) there occurs an Event of Bankruptcy; or

(ii) Lender accelerates the maturity of the Senior Debt in accordance with the terms of the [Loan/Credit Agreement], and fifteen (15) days have elapsed from the effective date of such acceleration and Lender has not rescinded or revoked such acceleration.

(b) Creditor shall not, without Lender's prior written consent, (i) commence or join with any other creditor or creditors of Borrower in commencing any bankruptcy, reorganization, receivership or insolvency proceeding against Borrower, or (ii) take any action to enforce or foreclose any liens on or security interests in, or levy against, or exercise any other rights or remedies which Creditor may have under the Subordinated Agreements or applicable law with respect to, the Subordinated Debt Collateral or any other property of Borrower, until the Senior Debt has been fully and finally paid and satisfied.

(c) Any amounts received by Creditor as a result of any acceleration, action, suit or proceeding permitted in paragraph (a) of this Section 4, if received prior to the full and final payment and satisfaction of the Senior Debt, shall be held in trust by Creditor for Lender and promptly paid to Lender in accordance with the provisions of this Subordination Agreement.

5. Insolvency Proceedings. Upon the occurrence of an Event of Bankruptcy:

(a) Any payment or distribution of assets of Borrower of any kind or character that occurs after the Event of Bankruptcy with respect to the Subordinated Debt Collateral, whether

in cash, property or securities, to which Creditor would be entitled except for the provisions of this Agreement, shall be paid or delivered by any debtor, debtor in possession, receiver, liquidator, custodian, conservator, trustee or other entity making such payment or distribution, directly to Lender for application to the payment of the Senior Debt remaining unpaid, to the extent necessary to pay the Senior Debt in full in cash after giving effect to any concurrent payment or distribution, or provision therefor, to Lender. To facilitate the foregoing, at the request of Lender, Creditor shall authorize, empower and direct any such debtor, debtor in possession, receiver, liquidator, custodian, conservator, trustee or other entity having authority in the premises to effect all such payments and deliveries.

(b) Other than at the request of Lender, Creditor shall not seek or request relief from the automatic stay as provided in Section 362 of the Bankruptcy Code or otherwise with respect to the Subordinated Debt Collateral, or seek or request adequate protection pursuant to section 361 of the Bankruptcy Code or otherwise. In addition, Creditor shall not contest (or support any other entity contesting) either (i) any request by Lender for adequate protection pursuant to section 361 of the Bankruptcy Code or otherwise, (ii) any objection by Lender to any motion, relief, action or proceeding based on Lender claiming a lack of adequate protection pursuant to section 361 of the Bankruptcy Code or otherwise, (iii) the entry of any cash collateral order supported by Lender or any sale of all or any portion of the Collateral pursuant to section 363 of the Bankruptcy Code or otherwise; or (iv) the entry of any financing order under section 364 of the Bankruptcy Code or otherwise; and

(c) Although Creditor has retained its rights to vote Creditor's claims and otherwise act on its own behalf in any case or proceeding related to an Event of Bankruptcy, Creditor agrees that: (i) Creditor's consent will not be required to permit the use of cash collateral or to permit the sale or lease of any Senior Debt Collateral, or to permit Borrower to obtain financing from Lender under Section 364 of the Bankruptcy Code and, to the extent necessary, agrees to subordinate Creditor's security interests in the Subordinated Debt Collateral to such financing; (ii) Creditor will not withhold its acceptance of any plan of reorganization (including, without limitation, a liquidating plan) that provides for the sale of any of the Senior Debt Collateral if Lender approves of such plan of reorganization; (iii) Creditor will not, directly or indirectly, take any other action or vote in any way that would be inconsistent with, or result in a breach of, this Agreement, or to challenge or contest in a case or proceeding related to an Event of Bankruptcy (x) the validity, perfection, priority or enforceability of the Senior Debt or the security interests of Lender in the Senior Debt Collateral, (y) the relative rights of Lender set forth in the Senior [Loan/Credit Agreement]s with respect to Senior Debt Collateral or (z) the validity or enforceability of any term, condition or provision of this Agreement. Nothing herein shall be construed to prohibit Lender or Creditor from seeking, in any case or proceeding related to an Event of Bankruptcy, a determination of the value of its respective secured claims, including, without limitation, a determination under Section 506(a) of the Bankruptcy Code and Rule 3012 of the Federal Rules of Bankruptcy Procedure.

6. Cooperation with Lender.

(a) In the event that Borrower defaults on its obligations to Lender and, as a result, Lender undertakes to enforce Lender's security interests in the Senior Debt Collateral, Creditor agrees that Creditor will not hinder, delay or otherwise prevent Lender from taking any and all action which Lender deems necessary to enforce Lender's security interests in the Senior Debt Collateral and to realize thereon. Creditor further agrees that the provisions of this Agreement shall remain in full force and effect notwithstanding a successful challenge to the validity, perfection, priority or enforceability of all or any of the Senior Debt or the security interests of Lender in the Senior Debt Collateral.

(b) If Lender releases any of its security interests in any of the Senior Debt Collateral in connection with the sale, lease, exchange, transfer or other disposition thereof, or in connection with any restructuring of all or a portion of the indebtedness of Borrower, notwithstanding any consent or other approval of any kind required under the terms of the Subordinated Agreements with regard to any such release, Creditor agrees that the security interests of Creditor in such Senior Debt Collateral, if any, shall simultaneously be released and Creditor shall execute and deliver to Lender such termination statements, releases and other documents as Lender may request to effectively confirm such release. Notwithstanding the foregoing, the security interests of Creditor in such Senior Debt Collateral shall, subject to all of the provisions of this Agreement, continue in the proceeds of any sale, lease, exchange, transfer or other disposition of such Senior Debt Collateral to the extent such proceeds are not applied in satisfaction of the Senior Debt.

7. Representations, Warranties and Covenants of Creditor. Creditor represents and warrants to Lender, and covenants with Lender, that:

(a) Creditor has not relied and will not rely on any representations or information of any nature made by or received from Lender relating to Borrower in deciding to execute this Agreement;

(b) as of the date hereof, the total principal amount of the Subordinated Debt does not exceed the amount set forth with respect to Creditor on Exhibit A attached hereto;

(c) all of the Subordinated Agreements to which Creditor is a party (or under which Creditor is a payee) are set forth on Exhibit A attached hereto, and such Creditor has delivered to Lender true, correct and complete copies of such Subordinated Agreements;

(d) Creditor is the lawful owner of the Subordinated Debt, free and clear of all liens and encumbrances, and such Creditor has not subordinated, encumbered, assigned or transferred any right, claim or interest of any kind in or to the Subordinated Debt;

(e) Creditor will not subordinate, encumber, assign or transfer, at any time while this Agreement remains in effect, any right, claim or interest of any kind in or to the Subordinated Debt;

(e) Creditor has full power and legal capacity to execute and deliver this Agreement to Lender, and this Agreement constitutes a legal, valid and binding obligation of Creditor, enforceable in accordance with its terms; and

(f) notwithstanding anything contained in the Subordinated Agreements to the contrary, without the prior written consent of Lender, Creditor shall not amend, modify, restate or supplement any of the Subordinated Agreements, if the direct or indirect effect of such amendment, modification, restatement or supplement would (i) cause the effective rate of interest charged thereunder to increase, (ii) cause the principal amount of the Subordinated Debt, or any installment of principal or other amounts payable thereunder, to increase, (iii) change the maturity date of any payment for principal or interest to accelerate the payment thereof, (iv) change the form or method of payment, (v) obtain collateral security for the Subordinated Debt in addition to the Subordinated Debt Collateral or (vi) increase the amount of any fees payable by Borrower to Creditor thereunder.

8. Exercise of Lender's Rights.

(a) Creditor agrees that Lender may, in Lender's sole discretion: (i) increase the principal amount of the Senior Debt; (ii) renew, extend or otherwise modify in any manner (x) the rate of interest on the Senior Debt, (y) the time and/or terms of payment of the Senior Debt or (z) any other condition, term or provision of relative to the Senior Debt or any provision of the Senior [Loan/Credit Agreement]s; (iii) lend additional monies, extend additional credit and make other financial accommodations to or for the account of Borrower; or (iv) waive or release any Senior Debt Collateral or guaranties which may be held as security for all or any part of the Senior Debt; in each case, without necessity of notice to or consent from Creditor, and without impairing or affecting this Agreement or any of Creditor's obligations and Lender's rights hereunder. Creditor acknowledges that Lender has not made any warranties or representations with respect to the due execution, legality, validity, completeness or enforceability of the Senior [Loan/Credit Agreement]s, or the collectibility of the Senior Debt, or the perfection of Lender's security interests in the Senior Debt Collateral, and that the priorities provided in this Agreement shall not be affected or impaired in any manner whatsoever, including, without limitation, on account of the invalidity, irregularity or unenforceability of all or any part of the Senior [Loan/Credit Agreement]s.

(b) Notwithstanding anything to the contrary contained in the Senior [Loan/Credit Agreement]s, or otherwise provided in law or equity, so long as any Senior Debt is outstanding, Lender shall have the exclusive right (whether exercised pursuant to an Event of Bankruptcy or otherwise), without the consent of the Creditor: (i) to take action with respect to, or to sell or otherwise dispose of, the Senior Debt Collateral in accordance with the Senior [Loan/Credit Agreement]s or as permitted by applicable law; (ii) to enforce and realize upon the liens held by Lender in accordance with the Senior [Loan/Credit Agreement]s or as permitted by applicable law, including to conduct any public or private sale of all or any portion of the Senior Debt Collateral or turnover of all or any portion of the Collateral under Revised Article 9 of the Code; (iii) to determine whether or not to accept a deed in lieu of foreclosure or similar transfer of all or

any portion of the Senior Debt Collateral; (iv) to enforce all rights and privileges accruing to Lender by reason of, and in accordance with, the Senior [Loan/Credit Agreement] including, without limitation, to grant or refuse to grant any and all consents, approvals and waivers, to exercise all of its rights and privileges as attorney-in-fact of the Borrower for purposes of carrying out the terms of the Senior [Loan/Credit Agreement]s; and (v) to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement. In exercising its rights as aforesaid, Lender shall have sole control over the timing, circumstances and manner of exercising its rights hereunder, provided that Lender shall handle all transactions relating to the Senior Debt Collateral in accordance with its usual practices in the ordinary course of its business, modified from time to time as Lender may deem appropriate under the circumstances.

(c) Until the Senior Debt is fully and finally paid and satisfied, Lender shall have the sole and exclusive right to adjust and settle any claim made under any insurance policy covering the Senior Debt Collateral in the event of any loss thereunder, to approve any award granted in any condemnation or similar proceeding affecting the Senior Debt Collateral and to determine whether to apply any such settlement or award to the outstanding Senior Debt or to return it to Borrower for purposes of repairing, replacing or rebuilding such Senior Debt Collateral. In addition, until the Senior Debt is fully and finally paid and satisfied, all proceeds of any such policy and any such award shall be paid to Lender. In the event Lender allows any portion of such insurance proceeds or condemnation or similar award to be used by Borrower to repair, replace or rebuild any Senior Debt Collateral affected or for any other purpose, Creditor agrees to consent to such use and to take all action necessary to permit such use.

(d) Creditor hereby waives any and all rights that Creditor may have to object to the manner in which Lender seeks to enforce or collect the Senior Debt or the security interests granted to Lender in any of the Senior Debt Collateral. Creditor agrees that Lender shall have no liability to Creditor for, and Creditor hereby waives any claim which Creditor may have at any time against Lender with respect to, any action which Lender takes or omits to take, not otherwise in violation of the express provisions of this Agreement, in connection with the foreclosure upon and sale, liquidation or other disposition, or valuation, use, protection or release, of the Senior Debt Collateral, except to the extent that a court of competent jurisdiction shall render a final judgment, not subject to review on appeal, that such disposition of the Senior Debt Collateral was not conducted in a commercially reasonable manner.

9. Waiver of Subrogation Rights.

Creditor waives any and all rights to be subrogated to the rights of Lender with respect to any of the Senior Debt or the Senior Debt Collateral until the Senior Debt is fully and finally paid and satisfied.

9. Legend.

Creditor agrees to advise each future holder of all or any part of the Subordinated Debt that such Subordinated Debt is subordinated to the Senior Debt in the manner and to the extent set forth herein. To that end, Creditor hereby agrees (and is hereby so authorized by Borrower) to include the following legend on such promissory note:

"The payment of the indebtedness evidenced by this instrument is subordinated to the payment of the "Senior Debt" defined and described in the Subordination Agreement dated _____, 20__, between the payee and [LENDER], and reference is made to such Subordination Agreement for a full statement of the terms and conditions of such subordination."

Borrower agrees to indemnify Lender against any losses, damages, costs and expenses incurred or suffered by Lender by reason of Creditor's failure to so notify any future holder of the Subordinated Debt, or any part thereof. Borrower hereby authorizes Lender to file such notices of record as Lender may from time to time deem appropriate to evidence or give notice to this Agreement.

11. Miscellaneous.

(a) This Agreement shall be governed by the internal laws of the State of Illinois without regard to any conflicts of law provisions. This Agreement contains the entire agreement between Creditor and Lender with respect to the Senior Debt, the Subordinated Debt, the Senior Debt Collateral and the Subordinated Debt Collateral, and may be modified only by a writing signed by Creditor and Lender.

(b) Lender's failure to exercise any right hereunder shall not be construed as a waiver of Lender's right to exercise the same or any other right at any other time and from time to time thereafter, and such rights shall be cumulative and not exclusive.

(c) The knowledge by Lender of any breach or other non-observance by Creditor of the terms of this Agreement shall not constitute a waiver thereof, or of any obligations to be performed by Creditor.

(d) As among Lender and Creditor, in the event of any conflict between any term, covenant or condition of this Agreement and any term, covenant or condition of the Subordinated Agreements, the provisions of this Agreement shall govern and control. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(e) This Agreement shall continue in full force and effect until the Senior Debt is fully and finally paid and satisfied, and shall be binding upon Creditor and its, successors and

assigns, including, without limitation, any future holder of all or any part of the Subordinated Debt, and shall inure to the benefit of Lender and its successors and assigns, including, without limitation, any future holder of all or any part of the Senior Debt, it being expressly acknowledged that Lender's rights under this Agreement may be assigned by Lender in connection with any assignment or transfer of all or any portion of Senior Debt and that each subsequent holder of any portion of Senior Debt shall be equally and ratably entitled to the benefits of this Agreement. References herein to Borrower shall include any successor to, or assign of, Borrower, including without limitation any debtor-in-possession or trustee for Borrower in any proceeding under the Bankruptcy Code. The obligations of Creditor under this Agreement shall continue to be effective, or be reinstated, as the case may be, as to any payment in respect of any Senior Debt that is rescinded or must otherwise be returned by the holder of such Senior Debt upon the occurrence or as a result of any Event of Bankruptcy, all as though such payment had not been made.

(f) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original hereof, and all of which together shall be deemed to be a single agreement.

(g) Except as provided in the Consent attached hereto, (i) the provisions of this Agreement are, and are intended, solely for the purpose of defining the relative rights of Lender, on the one hand, and Creditor, on the other hand, and (ii) this Agreement shall not, and is not intended to, enlarge or reduce any of the rights or remedies of Lender under the Senior [Loan/Credit Agreement]s, and in the event of any conflict between this Agreement and the Senior [Loan/Credit Agreement]s with respect to Borrower (except with respect to the Consent attached hereto), the provisions of the Senior [Loan/Credit Agreement]s shall control.

[The remainder of this page has been intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, Lender and Creditor have executed this Agreement as of the date first written above.

CREDITOR:

[NAME OF CREDITOR]

By: _____

Its:

LENDER:

[NAME OF LENDER]

By: _____

Its:

CONSENT

The undersigned Borrower acknowledges receipt of a copy of the foregoing Subordination Agreement, consents to all of the terms and conditions thereof, and agrees that it will not pay any Subordinated Debt, except as provided therein. Borrower acknowledges and agrees that any breach of the provisions of this Agreement by Creditor, or any payment made by Borrower to Creditor in violation of this Subordination Agreement shall constitute an Event of Default under the [Loan/Credit Agreement].

[BORROWER]

By: _____
Title:

SUBORDINATED AGREEMENTS

SENIOR DEBT COLLATERAL

The Mortgaged Property as defined in the Senior [Loan/Credit Agreement]s and the personal property set forth below.

All now owned and hereafter acquired right, title and interest of Borrower in, to and in respect of all: accounts, interests in goods represented by accounts, returned, reclaimed or repossessed goods with respect thereto and rights as an unpaid vendor; contract rights; chattel paper; investment property; general intangibles (including, but not limited to, tax and duty refunds, registered and unregistered patents, trademarks, service marks, copyrights, trade names, applications for the foregoing, trade secrets, goodwill, processes, drawings, blueprints, customer lists, licenses, whether as licensor or licensee, choses in action and other claims, and existing and future leasehold interests in equipment and fixtures); documents; instruments; letters of credit, bankers' acceptances or guaranties; cash moneys, deposits, securities, bank accounts, deposit accounts, credits and other property now or hereafter held in any capacity by Lender, its affiliates or any entity which, at any time, participates in Lender's financing of Borrower or at any other depository or other institution; agreements or property securing or relating to any of the items referred to above;

All now owned and hereafter acquired right, title and interest of Borrower in, to and in respect of goods, including, but not limited to:

All inventory, wherever located, whether now owned or hereafter acquired, of whatever kind, nature or description, including all raw materials, work-in-process, finished goods, and materials to be used or consumed in Borrower's business; and all names or marks affixed to or to be affixed thereto for purposes of selling same by the seller, manufacturer, lessor or licensor thereof;

All equipment and fixtures, wherever located, whether now owned or hereafter acquired, including, without limitation, all machinery, equipment, motor vehicles, furniture and fixtures, and any and all additions, substitutions, replacements (including spare parts), and accessions thereof and thereto; and

All consumer goods, farm products, crops, timber, minerals or the like (including oil and gas), wherever located, whether now owned or hereafter acquired, of whatever kind, nature or description;

All now owned and hereafter acquired right, title and interests of Borrower in, to and in respect of any personal property in or upon which Lender has or may hereafter have a security interest, lien or right of setoff;

All present and future books and records relating to any of the above including, without limitation, all computer programs, printed output and computer readable data in the possession or control of Borrower, any computer service bureau or other third party; and

All products and proceeds of the foregoing in whatever form and wherever located, including, without limitation, all insurance proceeds and all claims against third parties for loss or destruction of or damage to any of the foregoing.

PIK NOTES