

POSTPONEMENT AND SUBORDINATION AGREEMENT

(hereinafter called the "Lender")

- and -

(hereinafter called the "Debtor")

POSTPONEMENT AND SUBORDINATION

WHEREAS the Debtor is engaged in business as a _____ and such business is carried on in the City/Town of _____, Province of _____.

WHEREAS ON THE ____ DAY OF _____, 20 ____, the Debtor borrowed from the Lender a sum of \$ _____, repayable with interest at the rate of _____ per annum (hereinafter called the "loan"), the sum being needed for the carrying on of the business of the Debtor;

NOW THEREFORE, this agreement witnesses that, in consideration of \$1 paid by the parties to each other, receipt of this sum being acknowledged by each of the parties, the parties agree as follows:

1. The loan and all monies payable in respect thereof are hereby declared to be subordinate to, and the repayment of the loan, and all monies repayable in respect thereof, is hereby postponed to all claims of other present and future creditors of the Debtor, to the extent that all such creditors shall in the event of the dissolution, winding-up, liquidation, insolvency or bankruptcy of the Debtor be paid their existing claims in full in priority to the claims of the Lender and before the Lender shall have any claim upon any property belonging or which belonged to the Debtor or shall have any right to receive any payment in respect to the loan.
2. Without the prior written consent of the Executive Director of the Alberta Securities Commission, the Lender will not demand or accept payment of and the Debtor will not repay the loan or any part thereof provided that this requirement shall not apply to the payment of interest at the rate herein before mentioned as and when it becomes due and payable.
3. During the term of this agreement, any loan or advance or posting of security for a loan or advance by the Debtor to the Lender, shall be deemed to be a payment on account of the loan which is the subject of this agreement.

4. In this agreement "Debtor" shall include every successor thereof and every successor to the Debtor or of any such successor or to any part of such business and every firm which contains the Debtor or any partner thereof.
5. This agreement shall be binding upon and enure to the benefit of the parties hereto and their respective legal representatives.

DATED AT _____, in the Province of _____,

the _____ day of _____, 20_____.

In the Presence of:

Name: _____

On behalf of: _____
(Lender)

Name: _____

On behalf of: _____
(Debtor)

NOTICE

A breach of this postponement and subordination agreement will be considered by the Alberta Securities Commission sufficient cause for immediate suspension of registration.

This form should be executed in triplicate with one duly executed copy to be delivered to the Alberta Securities Commission.