

SUBORDINATION AGREEMENT

Location: _____ Date: _____

Parties:

Subordinator (Debtor): _____

Subordinatee (Creditor): _____

Recitals:

WHEREAS, Subordinator is indebted to Subordinatee under certain loan, credit, or other agreements (the “Senior Obligations”); and WHEREAS, Subordinator has granted to [Junior Creditor] a security interest or lien on certain collateral described below; and WHEREAS, Subordinatee requires that the lien or security interest of the Junior Creditor be subordinated to the Senior Obligations; NOW, THEREFORE, in consideration of the agreements contained herein, the parties agree as follows:

1. Definitions

Capitalized terms not defined herein shall have the meanings set forth in the underlying loan or security documents. “Senior Obligations” means all indebtedness, liabilities, and obligations of Subordinator to Subordinatee, whether now existing or hereafter arising.

2. Subordination

Subordinator hereby agrees that all liens, claims, security interests, or other rights of the Junior Creditor in the collateral described herein shall be and remain subject and subordinate in right of payment, priority, and lien to the Senior Obligations until such Senior Obligations are indefeasibly paid in full. This subordination shall apply to all payments, distributions, or proceeds with respect to the collateral.

3. Collateral

The collateral subject to this subordination agreement includes, but is not limited to, the following: [describe collateral, including legal description or identification numbers]. Subordinator represents that it has full right and authority to subordinate such collateral.

4. Representations and Warranties

Each party represents and warrants to the others as follows: (a) it has full power and authority to enter into and perform this Agreement; (b) this Agreement constitutes its valid, binding, and enforceable obligation; and (c) the execution and delivery of this Agreement do not violate any law, regulation, order, or agreement to which it is a party.

5. No Impairment of Senior Obligations

This Agreement shall not impair, limit, or affect the rights, remedies, powers, or interests of Subordinatee with respect to the Senior Obligations or the collateral securing the Senior Obligations.

6. Further Assurances

Subordinator agrees to execute and deliver any further documents and to take any further actions reasonably requested by Subordinatee to effectuate the purposes of this Agreement.

7. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of _____, without

regard to its conflict of laws principles.

8. Waiver of Jury Trial

To the maximum extent permitted by law, each party knowingly and voluntarily waives any right to trial by jury in any dispute arising out of or relating to this Agreement.

9. Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous understandings or agreements, whether oral or written.

10. Amendments and Waivers

No amendment, modification, or waiver of any provision of this Agreement shall be effective unless in writing and signed by all parties.

11. Severability

If any provision of this Agreement shall be held invalid or unenforceable, the remaining provisions shall continue in full force and effect.

12. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

13. Notices

All notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given when delivered by hand, mailed by certified or registered mail (return receipt requested), sent by nationally recognized overnight courier, or emailed with confirmation of receipt to the addresses set forth in the underlying agreements or as subsequently provided.

14. Binding Effect

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

15. No Reliance

Each party acknowledges that it has had the opportunity to consult with legal counsel and is entering into this Agreement without reliance on any representation or warranty other than those expressly set forth herein.

16. Headings

Headings are for reference only and shall not affect the interpretation of this Agreement.

17. Construction

This Agreement shall not be construed against any party as the drafter.

SUBORDINOR'S SIGNATURE

SUBORDINEE'S SIGNATURE

Signature: _____

Signature: _____

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