

This is the form required by section 25 of the Securities Rules.

BC FORM 33-904F (Previously Form 60)

**SECURITIES ACT
SUBORDINATION AGREEMENT**

INSTRUCTIONS

1. All items marked * to be completed.
2. "C/S" denotes Common Seal
3. "SEAL" - The circling of the word SEAL indicates the intent of the parties to be legally bound by the Agreement. The principal's signature and circling of the word SEAL must be witnessed and the witness must sign the Agreement where noted. The attachment of a red wafer is therefore not necessary.
4. Please note in particular, item 5, page 2.
5. Please forward original to Executive Director, British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2.
6. Please make copies for your own records.

CONTENTS OF FORM

AGREEMENT MADE this _____ day of _____, _____.*

BETWEEN:

Principal's name*

Address (herein called the "Principal")

AND:

Firm's name*

Address* (herein called the "firm")

WHEREAS:

- A. The Firm desires to obtain, renew or maintain registration pursuant to the SECURITIES ACT, R.S.B.C. 1996, c. 418 (herein called the "Act").
- B. The Firm is indebted to the Principal for the aggregate sum of _____ * Dollars (\$_____)*.
- C. It appears desirable that the position of the General Creditors, as hereinafter defined, be improved by the subordination of the Firm debt to the Claims of the General Creditors with the intent that all the Claims of the General Creditors will have priority to and take precedence over the Firm Debt;
- D. It is a condition of registration or licensing that specified levels of working capital be maintained by the Firm; and
- E. This Agreement is entered into for the purpose of fulfilling the said working capital requirements.

NOW THEREFORE THIS AGREEMENT WITNESSES that the parties hereto agree as follows:

- 1. In this Agreement:
 - a) "General Creditors" means the persons (other than the Principal) now and from time to time having claims against the Firm; and
 - b) "Claims" means all debts, liabilities and obligations which are now or may become due and owing by the Firm to any person (other than the Principal).
- 2.* The Firm acknowledges having borrowed from the Principal the following sums and securities:

Description of Instrument Evidencing Debt (i.e. shareholder loan promissory note, etc.)	Date of Loan	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____

(herein called the "Firm Debt")

- 3. The Firm Debt and all right, title and interest which the Principal now has or at any time hereafter may acquire under or by virtue of the Firm Debt in and to the undertaking, goodwill, property and assets of the Firm are hereby subordinated and postponed to and will hereafter rank subsequent to any Claims of the General Creditors so that the interest of the Principal under or by virtue of the Firm Debt will be subject to the present and future rights of the General Creditors in and to the undertaking, goodwill, property and assets of the Firm pursuant to any Claim.
- 4. Except as set forth in paragraph 5, the Principal will subordinate all his rights against the Firm on account of the Firm Debt to all the Claims of the General Creditors so that any

and all Claims will be paid out of the assets of the Firm before any payment is made to the Principal on account of the Firm Debt.

5. The Principal will not demand or accept payment of, and the Firm will not pay, any amount in whole or partial satisfaction of the Firm Debt unless and until written permission is obtained from the Executive Director of the British Columbia Securities Commission.
6. The subordination and postponement herein will apply in all events and circumstances whatsoever and notwithstanding:
 - a) the date or dates of creation, issuance, execution, delivery or registration of the Firm Debt and other documents evidencing Claims of the General Creditors;
 - b) the date or dates upon which any indebtedness under the Firm Debt or pursuant to any Claim is incurred by the Firm; and
 - c) the date or dates of any default by the Firm under the Firm Debt or pursuant to any documents evidencing Claims of General Creditors or the date or dates of crystallization of any floating charge respectively contained herein.
7. This Agreement will inure to and be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed and sealed this Agreement on the day and year first above written.

If Principal is a Natural Person Complete this Section	SIGNED, SEALED, AND DELIVERED)	
	IN THE PRESENCE OF:)	
)	SEAL
)	
	_____)	
	Signature of Witness*)	
)	
	_____)	
	Print Name)	
)	_____
)	Signature of Principal*	
)		
If Principal is a Corporation Complete this	THE COMMON SEAL OF THE)	
	<u>PRINCIPAL</u> WAS HEREUNTO)	
	AFFIXED IN THE PRESENCE OF:)	
)	
	_____)	
	Authorized Signatory*)	
)	
	_____)	
	Print Name*)	C/S
)	
)		
_____)		
Authorized Signatory*)		
)		
_____)		
Print Name*)		

