

[Date]

To: [Senior Lender Name]

[Address Line 1]

[Address Line 2]

Attention: [Contact Person/Department]

Re: Subordinated Debt Intercreditor Acknowledgment

Dear Sir/Madam,

This letter is delivered to you by [**Subordinated Lender Name**] (the "Subordinated Lender") in connection with the financial arrangements between [**Borrower Name**] (the "Borrower") and [**Senior Lender Name**] (the "Senior Lender").

The Subordinated Lender hereby acknowledges and agrees to the following:

1. **Subordination:** All present and future indebtedness, liabilities, and obligations of the Borrower to the Subordinated Lender (the "Subordinated Debt") are and shall remain junior and subordinate in right of payment and priority to all indebtedness and obligations of the Borrower to the Senior Lender (the "Senior Debt").
2. **Payment Restrictions:** Unless otherwise agreed in writing by the Senior Lender, the Subordinated Lender shall not demand, accept, or receive any payment of principal, interest, or other amounts on account of the Subordinated Debt during the occurrence and continuance of an Event of Default under the Senior Debt agreements.
3. **Liens and Security:** Any security interests or liens held by the Subordinated Lender in the assets of the Borrower are hereby subordinated to the security interests and liens held by the Senior Lender, regardless of the order of perfection or filing.
4. **Standstill:** In the event of a default by the Borrower, the Subordinated Lender agrees not to take any enforcement action, including foreclosure or acceleration of the Subordinated Debt, without the prior written consent of the Senior Lender for a period of [Number] days.
5. **Bankruptcy:** In the event of any insolvency, bankruptcy, or liquidation of the Borrower, the Senior Lender shall be entitled to receive payment in full of the Senior Debt before the Subordinated Lender receives any distribution on the Subordinated Debt.

This acknowledgment is governed by the laws of [**Jurisdiction/State**]. This letter shall remain in full force and effect until the Senior Debt has been indefeasibly paid in full and the Senior Lender's commitment to lend has been terminated.

Please acknowledge your receipt and agreement to the terms of this letter by signing in the space provided below.

Sincerely,

[Subordinated Lender Name]

By: _____

Name: [Name of Signatory]

Title: [Title of Signatory]

Acknowledged and Agreed:

[Senior Lender Name]

By: _____

Name: [Name of Signatory]

Title: [Title of Signatory]

Date: [Date]

[Borrower Name]

By: _____

Name: [Name of Signatory]

Title: [Title of Signatory]

Date: [Date]