

Deed of Subordination of Loans

Limited Company to Limited Parent Company

This undertaking is made the ^{Date} day of ^{Month} ^{Year}

Name & Address of Lender for services of notices and proceedings

By:

Of:

(hereinafter "the Creditor") of the first part and

Name & Address of Beneficiary for services of notices and proceedings

By:

Of:

(hereinafter "the Company") of the second part; and

Civil Aviation Authority of Aviation House, Beehive Ringroad, Crawley, West Sussex RH6 0YR (hereinafter "the CAA") of the third part.

- A. Whereas the CAA may refuse an application for an Air Travel Organiser's Licence ("ATOL") or a variation to an ATOL, or may revoke, suspend or vary an ATOL held by a person in exercise of its powers under the Civil Aviation (Air Travel Organisers' Licensing) Regulations for the time being in force under section 71 of the Civil Aviation Act 1982 (as amended from time to time) ("the Regulations"), if it is not satisfied that the resources of any person to whom it grants an ATOL and the financial arrangements made by that person are and remain adequate for discharging that person's actual and potential obligations in respect of the activities in which that person is or may be expected to be engaged under an ATOL;
- B. And whereas the CAA has indicated that it could not be satisfied in the context of the Regulations unless the Creditor and the Company give the following undertakings to the CAA and to each other.

IRREVOCABLE UNDERTAKING

1. Now therefore the Creditor hereby irrevocably undertakes to the CAA and to the Company and the Company hereby separately and irrevocably undertakes to the CAA and to the Creditor that the Company will not repay the Creditor and the Creditor will not accept repayment from the Company of any part of any loan made by the Creditor to the Company on or after the date of this undertaking:
- a) for the period during which the Company holds an ATOL unless the Creditor and the Company each obtain the prior written consent of the CAA to such repayment (in respect of which the CAA shall take account of, among other things, any cash and/or liquidity requirements and undertakings as separately notified to it by the CAA); and

- b) after the Company has ceased to hold an ATOL until all claims of other creditors in respect of liabilities incurred by the Company in the period during which it held an ATOL have been satisfied.
2. This Undertaking shall not be discharged or released or varied by any arrangement whatsoever and howsoever made between the Creditor and the Company without the prior written consent of the CAA.
 3. This Undertaking shall be a continuing security binding the Creditor and shall not be affected by any change in the name style or constitution of the Company.
 4. This Undertaking shall continue and remain in force notwithstanding the Creditor ceasing to hold all or any of the issued shares in the Company.
 5. This Undertaking shall be governed by and construed in accordance with the laws of England.

In witness whereof the Creditor and the Company have executed this document as a deed the day and year first before written.

Signed as a deed on behalf of:

Name of Creditor:

Registered Company Number:

And delivered in the presence of the following persons authorised in that behalf:

Director of the Creditor

Name:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature:	<input type="text"/>		Date: <input type="text"/>

Director / Secretary of the Creditor

Name:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature:	<input type="text"/>		Date: <input type="text"/>

Signed as a deed on behalf of:

Name of Company:

Registered Company Number:

And delivered in the presence of the following persons authorised in that behalf:

Director of the Company

Name:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature:	<input type="text"/>		Date: <input type="text"/>

Director / Secretary of the Company

Name:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature:	<input type="text"/>		Date: <input type="text"/>