



**COURIER:** 307-3450 Uptown Blvd. Victoria, BC V8Z 0B9  
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**Subordination of Loans Agreement**  
 Travel Agent/Wholesaler  
 Accommodation Provider/Wholesaler

**Name of Licensee** \_\_\_\_\_  
 (hereinafter called the "Licensee")

**Mailing Address of Licensee** \_\_\_\_\_  
 \_\_\_\_\_

**Licence Number** \_\_\_\_\_

**Name of Shareholder(s)** \_\_\_\_\_  
 (if any) (hereinafter called the "Shareholders")

**Name of Creditor(s)** \_\_\_\_\_  
 (if any) (hereinafter called the "Creditors")

**Amount of Loans./Shares from Shareholders and Creditors Subordinated** \$ \_\_\_\_\_

"Licensee's liabilities" includes any loans, advances, common or preferred shares or other debts or liabilities, present or future, with the Licensee.

In order to provide working capital for the Licensee, finance its deficit and/or maintain its net worth, it is necessary for the named Shareholders and Creditors of the Licensee to maintain their loans, advances, common and /or preferred shares, debts and liabilities to and with the Licensee until such time as the Licensee meets the financial requirements established by the *Business Practices and Consumer Protection Act* (the Act) and Travel Industry Regulation and any additional requirements determined by the Director of Consumer Protection BC (the Director).

It is therefore agreed that in consideration of concessions granted by the Director, including the licensing of the Licensee under the Act, the Licensee will not offer or pay, and the Shareholders and Creditors, or any of them, will not demand or accept, any payment or benefit, including interest or dividends, on account of any of the Licensee's liabilities owing to the abovenamed Shareholders and Creditors despite any other contract or agreement to the contrary without the expressed and written consent of the Director; reimbursement of legitimate and reasonable business expenses and payment of reasonable, earned wages and salaries excepted.

It is also agreed that the above named Shareholders and Creditors, or any of them, who receive any payment or benefit in violation of this agreement shall be liable to forthwith repay such payment or benefit, from their or its own resources, to the extent that such payment or benefit creates or contributes to losses suffered by consumers for which loss the consumers were compensated by the Travel Assurance Fund. The Shareholders and Creditors further agree to make the repayment of the payment or benefit to a person and in a manner specified by the Director.

This agreement shall supersede and replace any previous subordination and postponement agreement, if any, between the undersigned and shall be binding upon the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned and each of them and this agreement expressly survives the bankruptcy of the Licensee, the resignation of the undersigned as a principal, officer or director of the Licensee or the sale or transfer of the undersigned shares or interest in the Licensee.

The Shareholders and Creditors hereby assign to the Director any monies due and owing from the Licensee in respect of the repayment of the Licensee's liabilities or shares and, without limiting the generality of the foregoing, this assignment shall operate to assign from any Trustee in Bankruptcy any distribution from the Bankrupt Estate of the Licensee, to the extent possible and necessary to reimburse the Travel Assurance Fund for all consumer losses for which compensation was provided to consumers, resulting from their contravention of this subordination agreement.

This agreement shall not be construed as interfering with any discretion or powers granted to the Director, under the Act or pursuant to the *Business Practices & Consumer Protection Authority Act*.

In the presence of:

\_\_\_\_\_  
**PRINT NAME** (On Behalf of the Licensee)

\_\_\_\_\_  
**SIGNATURE** (On behalf of the Licensee)

\_\_\_\_\_  
**PRINT NAME** (Shareholder or on behalf of the Shareholder/Creditor)

\_\_\_\_\_  
**SIGNATURE** (Shareholder or on behalf of the Shareholder/Creditor)

**Signed at** \_\_\_\_\_ **this** \_\_\_\_\_ **day of** \_\_\_\_\_ , **YYYY** \_\_\_\_\_