

AIRLINES REPORTING CORPORATION
LIMITED PERSONAL GUARANTY OF PAYMENT
(Cash Security Deposit)

This Limited Personal Guaranty of Payment (the "Guaranty") is made and entered into this ____ day of _____, 20____, by and between Airlines Reporting Corporation ("ARC"), 4100 North Fairfax Drive, Suite 600, Arlington, Virginia 22203-1629 and _____ ("Guarantor"), whose residence address appears at the end of this Guaranty. This Guaranty is for the benefit of ARC, in part, to secure the performance of _____, ("Agent"),
(Travel Agency Legal Name)

with respect to the Agent's obligations under a Cash Security Deposit Agreement.

Witnesseth:

WHEREAS, ARC and the Agent are parties to the ARC Agent Reporting Agreement ("ARA") and to the Cash Security Deposit Agreement (the "Security Deposit Agreement");

AND WHEREAS, Guarantor is an individual with an ownership interest in and/or is an officer of the Agent, and is responsible, in whole or in part, for the Agent's performance under the ARA and Security Deposit Agreement; or, has other beneficial interest in the Agent.

AND WHEREAS, Guarantor wishes ARC to allow the Agent to enter into the Security Deposit Agreement in lieu of the Agent providing to ARC other forms of financial security whose performance are guaranteed by commercial sureties and/or authorized financial institutions;

NOW THEREFORE, in consideration of the mutual promises set forth herein, the benefit provided to the Agent and the Guarantor by ARC in entering into the Security Deposit Agreement and through the Agent's participation under the ARA, the undersigned Guarantor hereby promises and guarantees the unconditional payment by and performance of the Agent of any and all amounts as follows:

1. The Agent has tendered to ARC cash in the amount of \$_____ USD in order to create a cash security deposit and consents to ARC holding such funds under the terms and conditions of the Security Deposit Agreement. Such amount may, from time to time, be increased or decreased without notice to or consent by the Guarantor. Notwithstanding any other provision hereunder, Guarantor shall not be liable for a principal amount greater than twice the amount of the required cash security deposit as determined by ARC pursuant to the ARA. This limitation shall not apply to fees, costs, expenses and interest from the date of demand by ARC for payment hereunder and until such time as Guarantor's obligations to ARC shall be paid in full.
2. Guarantor hereby jointly, severally and unconditionally guaranties the performance of the Agent of any and all obligations, liabilities and indebtedness owed to ARC or the Carriers (as that term is defined in the ARA) arising from or related to the terms and conditions of the Security Deposit Agreement.
3. In the event that the Agent defaults in the performance of its obligations under the ARA for any reason, ARC may apply, with or without notice to or consent by the Agent, the Guarantor or any other party, by set off or otherwise, all or any portion of the Security Deposit subject to the terms and conditions of the Security Deposit Agreement to cover any and all amounts owed to ARC or the Carriers under the ARA by the Agent for any obligation of any kind.
4. This is a guaranty of payment and not merely of collection. In the event of any default by the Agent in payment or otherwise on any of its obligations to ARC arising from or related to the Security Deposit Agreement, Guarantor will pay all or any portion of such obligations due or thereafter becoming due, whether by acceleration or otherwise, without defalcation or offset of any kind, without ARC first being required to make demand upon the Agent or having to pursue any of its rights against the Agent, or against any other person, including other guarantors, if any; and without being required to liquidate or realize on any other collateral security. In any right of action accruing to ARC, ARC may elect to proceed against (a) Guarantor together with the Agent; (b) Guarantor and Agent individually; or (c) Guarantor only without having first commenced any action against Agent or any other person.

5. ARC, without notice to Guarantor, may deal with the Agent and its obligation to ARC in such manner as ARC may deem advisable in its sole and absolute discretion, including, but not limited to, changing the terms and conditions of the ARA and/or any other related agreements without notice to or with the consent of Guarantor. ARC may accept payment from, or settle, release, or compromise Agent's obligations to ARC; may demand additional collateral security for the Agent's obligations to ARC; or may settle with or release and discharge from further liability any of the Guarantor's or any other guarantors' obligations to ARC, all without further notice to or consent of Guarantor, or any other person liable to ARC, and all without impairing the liability of Guarantor to ARC hereunder.
6. Guarantor hereby unconditionally and irrevocably waives: (a) notice of acceptance of this Guaranty by ARC and any notice of the incurring by Agent of any obligations to ARC; (b) presentment for payment, notice of nonpayment, demand, protest, notice of protest and notice of dishonor or default to any party, including Guarantor; (c) all other notices to which Guarantor may be entitled but which may legally be waived; (d) demand for payment as a condition of liability under this Guaranty; (e) any disability of Agent or defense available to Agent, including absence or cessation of Agent's liability for any reason whatsoever; (f) any defense or circumstance which might otherwise constitute a legal or equitable discharge of a guarantor or surety; (g) all rights under state or federal statute dealing with or affecting the rights of creditors, and (h) until the Agent's obligations to ARC are paid in full, any right to subrogation or realization of any of Agent's property, including participation in the marshalling of Agent's assets.
7. Until the Agent's obligations to ARC are paid in full, Guarantor hereby unconditionally subordinates to ARC all present and future debts, liabilities, or obligations of Agent to Guarantor, and all amounts due under such debts, liabilities, or obligations shall be collected and paid over to ARC on account of such obligations. Guarantor, at ARC's request, shall execute a subordination agreement in favor of ARC to further evidence and support of the purpose of this provision.
8. Guarantor warrants to ARC that no other agreement or special condition exists between Guarantor and ARC regarding the liability of the Guarantor hereunder; nor does any understanding exist between Guarantor and ARC that the obligations of the Guarantor hereunder are or will be other than as set forth herein; and that as of the date of this Guaranty, Guarantor has no defense whatsoever to any action or proceeding that may be brought to enforce this Guaranty.
9. No failure or delay on the part of ARC in exercising any rights, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise therefore, or the exercise of any other rights, power or privilege. Failure by ARC to insist upon strict performance of the terms and conditions of this Guaranty shall not constitute a relinquishment or waiver of its rights to demand strict performance at another time. Receipt by ARC of any payment by any person of any obligation, with knowledge of a default on any obligation or of a breach of this Guaranty, or both, shall not be construed as a waiver of the default or breach.
10. This guaranty is a continuing guaranty and shall continue in full force and effect until the day that is 120 days from the receipt by ARC of written notice by Guarantor that the guaranty is revoked or that Guarantor is deceased. Guarantor shall be liable to ARC for any and all obligations hereunder until such final date of termination.
11. This Guaranty may not be modified or amended except by a writing signed by the party against which the modification or amendment would operate.
12. Guarantor hereby voluntarily and intentionally waives any and all rights to a trial by jury in any action, proceeding or litigation directly or indirectly arising from or otherwise in connection to this Guaranty. In addition, any and all disputes regarding the obligations of the Guarantor hereunder shall be resolved by the Travel Agent Arbiter, an arbitration forum established as an independent entity, in accordance with the rules promulgated and published by the Travel Agent Arbiter, and the decision shall be final and binding; provided, however, that neither ARC nor Guarantor is precluded from seeking judicial relief to enforce a decision of the Travel Agent Arbiter, or on the part of ARC to seek preliminary relief from a court of competent jurisdiction to attach before judgment Guarantor's assets until such time as a final decision is rendered by the Travel Agent Arbiter.
13. This Guaranty shall be construed in accordance with the laws of the Commonwealth of Virginia.
14. Guarantor acknowledges and agrees that this Guaranty shall not be deemed a Personal Guaranty of Payment and Performance for purposes of Section IV.A.4 of the ARA.

IN WITNESS WHEREOF, intending legally to be bound by the provisions contained in this Agreement, the Guarantor signs his/her name.

By: _____
(Signature of Guarantor)

Printed Name of Guarantor: _____

Residence Telephone Number: _____

Residence STREET Address: _____

This Limited Personal Guaranty ("LPG") must be signed by the above name guarantor in the presence of a notary. A separate personal guaranty must be executed by each type of guarantor as identified in the instructions and on the Confirmation of Ownership form. Each LPG must contain all three pages.

(FOR NOTARY USE ONLY)

County of _____

State of _____

On this _____ day of _____, 20____,

(Print Name of Above Authorized Owner or Officer)

appeared before me and, having been duly sworn by me, signed the Limited Personal Guaranty in my presence.

(Notary Public Signature)

NOTARY SEAL

My commission expires on _____.