

Section N: Associate Branch Supplementary Agreement

Agent's Guaranty of Payment and Performance of Associate Branch Obligations

Additional Requirements for Associate Branch

In addition to the requirements in the ARA, Agent seeking approval for an Associate Branch must:

1. Submit an application for approval of an Associate Branch in the form required by ARC
2. Provide and maintain a Financial Instrument in the form and amount required by ARC, as described in Section D of the IAH.
 - 2.1. At no time will the Agent's Financial Instrument be less than \$70,000 or more than \$150,000, unless Agent becomes subject to the requirements of Section 34 of the ARA.
3. Execute the Corporate Guaranty included in this Section.

Agent and the owners of each Associate Branch must execute the Associate Branch Agreement in this Section.

ASSOCIATE BRANCH SUPPLEMENTARY AGREEMENT

1. This Supplementary Agreement (Supplement) covers the terms and conditions for _____ (Agent), ARC number _____, to operate an Associate Branch, the ownership of which is different from the ownership of Agent. The parties identified below agree as follows:
 2. This Supplement will become effective on the date of ARC's written approval of Agent's Application for Associate Branch, or the last date signed below, whichever is later. This Supplement will remain in effect as long as the Agent's ARA is in effect, or until Associate Branch is terminated and/or removed from the ARC List, whichever occurs first.
 3. The ownership of Agent's Associate Branch _____ [name of Associate Branch entity] at _____, is authorized by ARC to be different from the ownership of the Agent subject to the following conditions:
 - 3.1 The Agent, or the owning Entity of Agent must at all times hold some ownership interest in the Associate Branch.
 - 3.2 No interest in the ownership of Associate Branch may be transferred or assigned without the prior written consent of ARC. If a transfer is made without ARC's prior written consent, this Supplement will automatically be terminated, and Associate Branch will be removed from the ARC Agency List and ARC shall take action as directed in Subsections 6.7 and 6.8 of the ARA.
 - 3.3 If a transfer or assignment of the ownership of Agent is made without ARC's prior written consent, this Supplement and Agent's ARA may be terminated and ARC may take action as directed in Subsections 6.7 and 6.8 of the ARA.
 - 3.4 The owning Entity of Agent unconditionally guarantees all obligations of the Associate Branch to ARC in the required corporate guaranty in this Section. Execution of the guaranty is a condition precedent to the effectiveness of this Supplement and approval of the Associate Branch application.
 - 3.5 This agreement shall in no way affect any Carrier's individual rights with regard to its appointment of Agent, Associate Branch, or any other Location affiliated with Agent or Associate Branch. Except as noted herein, all other terms of the ARA shall remain in full force and effect as if unmodified.
 - 3.6 Associate Branch hereby agrees to be bound by the terms and conditions of the ARA.



3.7 Associate Branch acknowledges and agrees that Agent is authorized to access, obtain and view all applications, requests and other forms and documents that may be submitted by Associate Branch to ARC, including but not limited to Transactional Data issued by and reported in the Sales Report for, or by the Associate Branch, in the same manner through which Agent may access, obtain and view such information for any of Agent’s other Locations.

4. Agent and Associate Branch acknowledge and agree that ARC reserves the right to amend or modify the terms of this Supplement, upon reasonable notice to Agent and Associate Branch.

This Supplement may be executed in multiple counterparts, each of which taken together shall constitute one and the same agreement. Further, signatures received via fax or via scanned document attached in an email shall constitute original signatures and shall be treated with the same force and effect as original signatures.

Accepted and agreed by the parties identified below (Agent, Associate Branch entity and ARC):

AGENT

AIRLINES REPORTING CORPORATION

Legal Name _____

(on behalf of itself and on behalf of each Carrier signatory to the ARC Carrier Services Agreement)

Signature _____
(Authorized owner/officer)

Signature _____
(Authorized officer)

Printed Name _____

Title _____

Title _____

(Date)

(Date)

ASSOCIATE BRANCH entity

Legal Name _____

Signature _____
(Authorized owner/ officer)

Printed Name _____

Title _____

Date _____

Associate Branch**Guaranty of Payment and Performance****Section I: Applicability**

The provisions of this guaranty apply whenever Guarantor (as defined below) is required to execute a "Guaranty of Performance of Agent's Agreement" (Guaranty) relating to the actions of _____, [Legal Name of Associate Branch], accredited by ARC as an Associate Branch pursuant to Section 39.19.4 of the Agent Reporting Agreement (ARA) and Section N of the IAH, which is incorporated by reference in the ARA ("Associate Branch").

Section II: Guarantor

[Print Legal Name of the owning Entity of the Agent] ("Guarantor),

is the owning Entity of _____ ("Agent")

[Print Legal Name of Agent]

designated with ARC Number _____, the Agent under the ARA between Agent and Airlines Reporting Corporation, a corporation organized under the laws of Delaware ("ARC").

The Agreement requires that Guarantor guarantee the payment and performance obligations of Associate Branch identified in Section I of this Guaranty under the terms of the ARA. Accordingly, as a condition imposed for continued inclusion of Guarantor on the ARC Agency List and in consideration of the benefit to Guarantor of the effectiveness of the ARA, Guarantor agrees as follows:

Section III: Guaranty

(i) Except as expressly set forth herein Guarantor hereby absolutely, irrevocably and unconditionally agrees to and hereby does guarantee to ARC the full, prompt and complete performance and payment by Associate Branch of all of its obligations under the ARA (all such obligations, collectively, the "Obligations"). Subject to the terms hereof, Guarantor agrees that this Guaranty is a guaranty of performance and payment and NOT of collection and that the liability of Guarantor is primary and unconditional. Accordingly, Guarantor agrees to pay the Obligations to ARC upon receipt of a written demand therefor, without any withholding, deduction, counterclaim (unless a compulsory counterclaim) or set-off for any reason or on any account whatsoever, subject to the terms hereof and provided that ARC shall not demand any of the Obligations until there has been a default by Associate Branch on such Obligations and notice of such default has been received by Guarantor and any applicable time and grace periods (as set forth in paragraph (v) of this Section III) have expired. Except for the notice and time and grace period requirements set forth in the preceding sentence, this guaranty is in no way conditional upon any requirement that ARC first attempt to collect any of the Obligations from Associate Branch or resort to any security or other means of obtaining payment of the Obligations.

(ii) Guarantor hereby waives each and every defense that under principles of guarantee, suretyship or other similar law would otherwise operate to impair, delay or diminish Guarantor's obligations hereunder; provided, however, that the foregoing waiver shall not in any way waive or prejudice any right or defense otherwise assertable in respect of any claimed Obligation.

- (iii) No delay on the part of ARC in exercising any of its options, powers or rights shall constitute a waiver thereof. Upon making any payment or performance with respect to any Obligations hereunder, Guarantor shall be subrogated to the right of ARC against Associate Branch with respect to such payment; provided that Guarantor shall not enforce any payment right by way of subrogation until the underlying Obligation has been paid in full.
- (iv) Guarantor's obligations hereunder shall remain in full force and effect until all of the Obligations have been completely performed and paid in full.
- (v) Guarantor hereby waives acceptance hereof, presentment, demand, protest, and any notice not provided for herein, as well as any requirement that at any time any action be taken by any corporation or person against Associate Branch or any other corporation or person, except that no payment shall be sought from Guarantor under this Guaranty unless a notice of default has been served to Guarantor providing for a minimum cure period of 30 calendar days to remedy such default and indicating ARC's intention to claim under this Guaranty in the absence of remedy within such cure period.
- (vi) Guarantor represents, warrants and covenants to ARC that this Guaranty (i) has been duly authorized, executed and delivered by Guarantor, (ii) constitutes a legal, valid and binding obligation of Guarantor enforceable in accordance with its terms, except as the enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable principles relating to the availability of equitable remedies, (iii) does not and will not violate or conflict with any of Guarantor's organizational documents, and will not violate or conflict with any material agreement by which it is bound, or any law to which Guarantor is subject, nor is any consent or approval required that has not been received or that will not be obtained in connection with the execution, delivery or performance, validity or enforceability of this guaranty.
- (vii) Any and all disputes regarding the obligations of the Guarantor to ARC 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 to compel compliance with this Guaranty prior to the filing of an answer in a proceeding concerning such requirement before the Travel Agent Arbiter.
- (viii) This Guaranty shall be construed and interpreted according to the internal laws of the Commonwealth of Virginia, excluding any choice of law rules that may direct the application of the laws of another jurisdiction. Any suit, action, or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Guaranty may only be brought in the United States District Court for the Eastern District of Virginia, Alexandria Division (or, if jurisdiction is there lacking, in a state court of cognizant jurisdiction in the County of Arlington, Commonwealth of Virginia). Guarantor consents and submits to the jurisdiction of such courts (and of the appropriate appellate court therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, actions or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on Guarantor anywhere in the world, whether within or without the jurisdiction of any such court.

Section IV Effectiveness of Guaranty



This Guaranty is of continuing effect, and its effectiveness, and the Guarantor's liability hereunder, survives termination of the ARA, except as modified pursuant to Section V below, and need not be re-executed upon amendment of the ARA, including subsequent revisions and reissues thereof.

Section V: Modification of Guaranty

This guaranty may not be modified or terminated orally.

Authority and consent are hereby expressly given ARC from time to time, and without any notice to Guarantor, to give and make such extensions, renewals, settlements, and compromises as it may deem proper with respect to any of the indebtedness, liabilities and obligations covered by this guaranty; and the release by ARC of any other Entity, or settlement with any other Entity, or the revocation or impairment of this guaranty with respect to Guarantor, shall not operate to prejudice the rights of ARC against the Guarantor.

It is understood that this is a continuing absolute and unconditioned guaranty, co-extensive with the ARA as presently constituted and as may be hereafter amended, including subsequent revisions and reissuances thereof.

[The next page is the signature page.]



Faxed and scanned signatures shall constitute original signatures and shall be treated with the same force and effect as original signatures.

This Document Must Be Signed in the Presence of a Notary.

(Printed Name of Guarantor)

(Address)

(City, State, Zip Code)

(Telephone Number)

(Signature of Guarantor)

(FOR NOTARY USE ONLY)

County of _____ State of _____

On this _____ day of _____, 20__

(Print Name of Above Guarantor)

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

Notary Public Signature

NOTARY SEAL

My commission expires on
