

ARC TRAVEL AGENCY SERVICE FEE PROCESSING AGREEMENT

I. INTRODUCTION

- ◆ This Agreement is entered into by and between Airlines Reporting Corporation, a Delaware corporation headquartered at 4100 North Fairfax Drive, Suite 600, Arlington, Virginia, 22203 ("ARC") and "Travel Agent", which has executed a Memorandum of Agreement, consistent with Section XXVI of this Agreement.

II. PURPOSE

- ◆ The purpose of this Agreement is to facilitate the processing of Travel Agency Service Fees ("TASF") and other miscellaneous transactions where credit card is the form of payment, received by ARC from travel agents participating in this service, in an efficient manner.
- ◆ This Agreement governs the terms and conditions under which the Agent is authorized to utilize ARC's Travel Agency Service Fee Program for processing and reporting such activity through the Agent's regular sales report using the automated Miscellaneous Charges Order ("MCO") method or ARC Agent's Choice. Travel Agency Service Fee processing is available to any and all Travel Agents who are in Good Standing as herein defined, regardless of any other merchant or processing agreement(s) to which the Travel Agent may already be a party.

III. DEFINITIONS

For the purpose of this Agreement:

- ◆ AGENCY LIST means the agency list maintained by ARC, which includes the name, address and agency code number for each authorized agency location which has been found qualified under ARC standards, and contains the classification under which the location was included.
- ◆ AGENT REPORTING AGREEMENT ("ARA") means the separate and distinct agreement to which the Travel Agent and ARC are parties, relevant portions of which are incorporated herein by reference as though fully set forth in this Agreement, the terms of which govern the Agent's authorization to issue ARC traffic documents, including Automated Ticket/Boarding Pass ("ATB") to be used as electronic MCOs/records used to assess service fees, at or through its authorized agency locations.
- ◆ AGREEMENT means the ARC Travel Agency Service Fee Processing Agreement.
- ◆ ARC AGENTS' STANDARD TICKET AND AREA SETTLEMENT PLAN (ASP) means the program established by ARC for reporting and settling traffic documents, including electronic Travel Agency Service fee transactions.
- ◆ ARC Agent's Choice means the web based application developed by ARC that provides Agents the ability to process their service fees or other related travel transactions via the internet. This product is not a replacement but an additional option available to ARC accredited agencies to process service fees through ARC.
- ◆ AUTHORIZED AGENCY LOCATION means a place of business operated by a Travel Agent which is a party to this Agreement, and the ARA.
- ◆ AUTOMATED MISCELLANEOUS CHARGES ORDER ("MCO") is the electronic means by which (i) the Automated Ticket/Boarding Pass ("ATB") form which ARC supplies to Travel Agents under the ARA for issuance of automated miscellaneous documents, including the MCO, to their clients, (ii) the means by which Computerized Reservation Services electronically reports MCOs to ARC on behalf of Travel Agents who submit their weekly sales under the ARA via Interactive Agent Reporting ("IAR"); or (iii) the means by which a System Provider reports electronic MCOs/records to ARC on behalf of Travel Agents who submit their weekly sales to ARC.
- ◆ CARDMEMBER CLIENT is a person: (a) who has sought travel industry related goods and services from the Travel Agent; (b) who has acknowledged, and agreed to pay for, a service fee, or other miscellaneous fee, imposed by the Travel Agent; and (c) whose name is embossed on the face of a Valid Card.
- ◆ CHARGE or CREDIT CARD SALE means the purchase of a Travel Agency Service Fee where a credit card was accepted as payment for the sale.
- ◆ FINANCIAL RECOVERY means the repurchase of charges by the Travel Agent, due to any dispute by the Cardmember Client, ARC, or any credit card company or issuer, at the price assessed to ARC by the credit card company or issuer.
- ◆ GOOD STANDING means a Travel Agent who: (a) is presently on the Agency List (b) is a party to a valid and enforceable Agent Reporting Agreement; (c) is deemed by ARC to be: (i) credit worthy; and (ii) capable of fully performing its obligations and responsibilities under this Agreement; (d) has had no restrictions placed on its contractual relationship with ARC under the Agent Reporting Agreement, including, but not limited to, a default, reduced ticket stock, or increased bond requirements, for a period of not less than twelve (12) calendar months preceding the effective date of this Agreement, or for the period corresponding to the Travel Agent's time on the Agency List, whichever is smaller.
- ◆ PERSON includes an individual, corporation, partnership, association, company, firm or any other legal entity.
- ◆ PROCESSING FEE is the fee charged by ARC to process a Travel Agency Service Fee transaction via ARC's settlement system. Each transaction is assessed a 3.50% processing fee with a minimum charge of \$0.70, whichever is greater.
- ◆ TRAVEL AGENCY SERVICE FEE means the amount which the Travel Agent assesses its' Cardmember Client or Client, for travel industry related goods and services which the Travel Agent provides, the amount of which is solely determined by agreement between the Travel Agent and Cardmember Client.
- ◆ TRAVEL AGENCY SERVICE FEE TRANSACTION is the electronic MCO or the electronic record submitted via ARC Agent's Choice, are the sole methods by which: (i) ARC is the issuing carrier; and (ii) a Travel Agency Service Fee, or miscellaneous fee, to be submitted to ARC for processing, may appear.
- ◆ TRAVEL AGENT is any person who is eligible to receive and issue ARC Travel Agency Service Fee transactions.



- ◆ VALID CARD is a card that meets all of these requirements: (a) it is a credit card, the use of which is pre-approved by ARC for processing under this Agreement; (b) it is current according to the beginning and expiration dates embossed on its face; (c) it bears the signature of the person whose name is embossed on its face; (d) it has not been canceled; (e) it is not listed in any credit card Warning Bulletin or negative file; and (f) it is not visibly altered or mutilated.
- ◆ VALID CHARGE is:
 - (i) in a face-to-face transaction, a charge that meets all of these requirements: (a) it is used to generate an electronic MCO/record; (b) it bears the Travel Agent's Agency name and Agency code number; (c) it bears the imprint of a Valid Card, or, if the Travel Agent uses a data capture terminal to accept the Valid Card, it contains the account number of the Valid Card, and expiration date; (d) it is in an amount not in excess of \$500.00, unless authorized by ARC; (e) it bears the date and place that the Charge was incurred; (f) it is signed by the Cardmember Client and the signature matches the signature on the Valid Card; (g) it contains all other information that may be required from time to time by ARC; (h) the Travel Agency Service Fee(s) comply with the requirements of Paragraph IV.D and the total amount of the Travel Agency Service Fee(s) is clearly written; (i) it bears an approval code, the authorization for which was obtained from the credit card company at the time the Cardmember Client was advised of, acknowledged, and agreed to accept a Travel Agency Service Fee; (j) it bears the name of the passenger; and (k) it meets the definition of Travel Agency Service Fee as defined herein.
 - (ii) in a non-face-to-face transaction, a charge that meets all of these requirements: (a) it is used to generate an electronic MCO/record; (b) it contains the account number of a Valid Card; (c) it contains the date and place of sale; (d) the Travel Agency Service Fee(s) comply with the requirements of Paragraph IV.D and the total amount of the Travel Agency Service Fee(s) is provided; (e) it bears an approval code, the authorization for which was obtained from the credit card company at the time the Cardmember Client was advised of, acknowledged, and agreed to accept a Travel Agency Service Fee; (f) it bears the name of the passenger; (g) it is in an amount not in excess of \$500.00, unless authorized by ARC; (h) it contains all other information that may be required from time to time by ARC; (i) it meets the definition of Travel Agency Service Fee as defined herein.

IV. ARC FEES

A. General Provisions

ARC has the sole right to fix, change, and adjust the level of the fees assessed to the Travel Agent for the services ARC performs for and on behalf of the Travel Agent under this Agreement. The Travel Agent shall pay such fees promptly when due. The level of fees to the Travel Agent shall be fair and reasonable.

B. Recording Fee

The Travel Agent shall pay ARC a one-time, non-refundable, Recording Fee of \$25.00, or such amount as may be established by ARC's Management. The Recording Fee shall be used to defray the costs, particularly, start-up costs, associated with the operation of Travel Agency Service Fee processing. The Recording Fee shall be due on the date this Agreement is executed by the Travel Agent.

C. Processing Fee for Travel Agent Service Fees Processed

For each Travel Agency Service Fee transaction, which Travel Agent warrants shall comply with the provisions of subparagraph D of this Section IV, Travel Agent agrees that ARC shall receive a Processing Fee for each Travel Agency Service Fee transaction submitted by Travel Agent to ARC for processing. .

D. Travel Agency Service Fee

Travel Agent shall independently set its own Travel Agency Service Fees. The parties acknowledge that ARC does and shall not, in any manner, influence Travel Agent with regard to its setting of any Travel Agency Service Fees. Travel Agent warrants and represents that it shall impose Travel Agency Service Fees equally and consistently with regard to the service it performs that will incur a Travel Agency Service Fee and that it, in all cases, imposes each Travel Agency Service Fee consistently on all comparable cash and Credit Card Sale transactions. Travel Agent agrees that it shall impose no additional Travel Agency Service Fee as a surcharge solely because the Cardmember Client is entering into a Credit Card Sale. Travel Agent agrees that it shall not offer any discount of its Travel Agency Service Fee or of other amount due from a customer for any cash transaction.

V. SETTLEMENT

A. Submission of Transactions and Charges

◆ Electronic MCOs/Record

When the Travel Agent (excluding IAR Agents) uses an electronic MCO/record to assess Travel Agency Service Fees, it shall submit the electronic record of such, from each electronic MCO/record with its weekly sales summary consistent with Section VIII of the ARA, which is incorporated by reference as though fully set forth in this Agreement.

The electronic MCO and the electronic record submitted via ARC Agent's Choice are the sole methods on which: (i) ARC is the issuing carrier; and (ii) a Travel Agency Service Fee, or miscellaneous fee, to be submitted to ARC for processing, may appear.

B. Processing

◆ ARC will process the report containing all electronic MCOs/records submitted within the regular ARA sales report, in an aggregate amount not in excess of \$10,000.00 per week, unless authorized by ARC in accordance with Section XII herein, during the week or the PED in which the report was submitted. Payment for the net amount due to the agent for service fees assessed on electronic MCOs/records shall be included in the normal processing cycle of the ARA sales report.

C. Cost Billings

ARC is authorized to deduct all of its ARC FEES as defined in section IV from Travel Agent disbursements on a weekly basis. Notice of the Financial Recovery due ARC from the Travel Agent shall be sent to the Travel Agent and automatically deducted by ARC from the Travel Agent's ASP bank account or by withholding, and redirecting to TASF, ASP overages.

The Travel Agent's ASP bank account shall be for the benefit of ARC for deposit of (1) The proceeds of the sales of TASF for which ARC traffic documents were issued, and (2) such funds as may be required to pay any amount which ARC is authorized to draft from the account. The Agent recognizes that funds due ARC pursuant to this agreement shall be held in trust until accounted for to ARC.

VI. ACCEPTING VALID CARDS

Travel Agent agrees to permit Cardmember Clients to pay for Travel Agency Service Fees with Valid Cards at its agency location(s). A cash advance is not considered a Travel Agency Service Fee for purposes of this Agreement.

VII. SALE AND PURCHASE OF CHARGES

Travel Agent agrees to sell ARC and ARC agrees to purchase from Travel Agent, Valid Charges (as defined above) that are submitted in accordance with the terms of this Agreement.

Travel Agent will not bill Cardmember Clients directly for any Charges that Travel Agent submits to ARC. Travel Agent will not submit any Charges to ARC arising from transactions between a Cardmember Client and any Agency other than Travel Agent's, or for services other than those offered directly by Travel Agent. Travel Agent will not submit Charges by any of its owners, partners, officers, or employees other than those Charges which, at ARC's sole discretion, constitute a bona fide purchase of Travel Agency Service Fees. Travel Agent understands that ARC may terminate this Agreement immediately if Travel Agent does submit any such Charges.

VIII. FINANCIAL RECOVERY

ARC may require Travel Agent to repurchase Charges ("Financial Recoveries"), which may include miscellaneous processing fees levied by the credit card company or issuer, bank fees for drafts returned as unpaid due to non-sufficient funds, rejections by the credit card company or issuer, or chargebacks due to being contested by the Cardmember Client, at the price assessed to ARC by the credit card company or issuer: (a) if the Charges are not Valid Charges; (b) if the Travel Agent has not complied with the terms of this Agreement; (c) if the Charges, despite ARC's efforts, remain unresolved; or (d) for any of the Financial Recovery reasons listed below, including, but not limited to, any Charge:

- (i) incurred by a Cardmember Client whose card number or identifying symbols or numbers was listed in a negative file, if one was provided to the Travel Agent, prior to the incurring of the Charge by the Cardmember Client;
- (ii) without prior authorization of the credit card company;
- (iii) for which the Travel Agency Service Fee transaction is incomplete or illegible as to the Cardmember Client's name, the account number on the card, the date the Charge was incurred, the validity dates of the card, the amount of the Charge, or, the authorization code;
- (iv) for services in an amount in excess of that which was previously agreed upon by the Travel Agent, and Cardmember Client.
- (v) which is not in compliance with this Agreement or its instructions.

IX. CARDMEMBER CLIENT INQUIRIES AND RETRIEVAL REQUESTS

ARC will respond to credit card company or issuer inquiries, or retrieval requests only, and shall make a good faith effort in responding to such inquiries or retrieval requests, to minimize the likelihood of such charges becoming subject to Financial Recovery. ARC assumes no liability with respect to Travel Agent for inquiries or retrieval requests.

X. COMPLIANCE WITH LAWS/INDEMNITY

Travel Agent agrees to comply with all applicable state and federal laws and regulations, and, in particular without limiting the foregoing, agrees that it shall not impose a Travel Agency Service Fee that would violate state or federal law or that would be treated as a finance charge under the Federal Truth in Lending Act or any similar state law.

Travel Agent agrees to indemnify and hold ARC harmless from and against any loss, claim, liability, or expense that ARC may incur, including but not limited to its attorney fees (including the amount reasonably allocated to the costs of corporate counsel), as a result of any act or omission of Travel Agent, its employees or agents (whether or not such employees or agents are acting within the intended scope of their duties) or as a result of any violation of any warranty, representation or other provision of this Agreement.

XI. NON-DISCLOSURE

Travel Agent agrees not to disclose to, or otherwise give, any third party the name or account number appearing on any card, or any document or form on which such names or numbers appear, except as may be necessary for Travel Agent to perform its obligations under this Agreement.

XII. AGENT RESPONSIBILITIES

Travel Agent agrees to comply with all instructions contained in the document "Instructions For Travel Agency Service Fee Transactions" and ARC Agent's Choice Terms of Use, both of which are incorporated by reference in their entirety into this Agreement.

Travel Agent agrees to submit to ARC for processing Valid Charges only as herein defined. The submission of Charges which do not comply with the requirements of a Valid Charge shall be subject to return to the Travel Agent as a Financial Recovery under Section VIII of this Agreement.

Travel Agent agrees to deal directly with Cardmember Clients to resolve any claims or complaints about the nature or quality of goods or services purchased from Travel Agent.

Travel Agent agrees that it shall submit a written request to, and await approval by, ARC before assessing any Service Fees in excess of \$500 per transaction, and before filing any weekly report containing Service Fee transactions in excess of \$10,000 per week. Such request(s) shall be signed by an Agency owner, officer, or manager directed to the TASF department at ARC via email at tasf@arccorp.com or via facsimile at (703) 816-5100.

XIII. RESTRICTING USE OF ARC DOCUMENTS:

- ◆ ARC will supply the Travel Agent with ATB's, which may be used to print an electronic MCO/record for issuance to the Agent's Cardmember Clients to cover Travel Agency Service Fees purchased, provided the Agent is in Good Standing as defined herein.
- ◆ All ARC traffic documents (including ARC-issued numbers used in electronic format) supplied to the Agent shall be held in trust for ARC by the Agent until issued to the Agent's clients to cover Travel Agency Service Fees purchased, or until otherwise satisfactory accounted for to ARC, and shall be surrendered upon demand to ARC pursuant to this Agreement.
- ◆ The Agent may not sell or issue an electronic MCO/record naming ARC as ticketing carrier of such document unless authorized to do so by ARC. ARC shall give its ATBs to be used as electronic

MCOs/records, to Travel Agents for use only at authorized agency locations and ARC shall promptly remove those documents from any authorized agency location, and the Agent shall not use electronic MCOs/records for service fees, if ARC: (i) terminates this Agreement; (ii) terminates the Agent Reporting Agreement or places the Agent into default under the ARA; (iii) terminates its approval of that agency location; or (iv) deems that the Travel Agent is no longer in Good Standing, as herein defined.

- ◆ With respect to electronic MCOs/records, the Travel Agent shall comply with all security, storage, and use provisions expressed in the ARA, including but not limited to, Section XIII and Attachment B, which are incorporated by reference as though fully set forth in this Agreement.

ARC may, upon its own initiative, audit the books and records of Travel Agent pertaining to transactions involving ARC Travel Agency Service Fee Program, or ATBs to be used as electronic MCOs/records for Travel Agency Service Fees to determine whether the agent is in full compliance with the provisions of the ARC Travel Agency Service Fee Processing Agreement and/or the ARA.

XIV. CONFIDENTIALITY

- ◆ ARC shall receive and maintain all information communicated to it by Travel Agent, in strict confidence, and shall use such information only for the performance of services contemplated by the Agreement, or in the supervision or administration of the Travel Agency Service Fee processing program, and shall disclose such data only to Travel Agent, the Cardmember Client, and credit card company, to such persons as Travel Agent has otherwise designated, or as required by law.

XV. NOTICES

Any notice provided herein shall be considered given as of the mailing date, if sent by prepaid telegram, electronic mail, facsimile, mailgram, mail, or any government licensed delivery service which service provides a shipping receipt, airbill, or documentation of delivery, addressed as the Agent or ARC (as appropriate) shall have designated in writing in the ARC Travel Agency Service Fee Processing Agreement.

XVI. TERMINATION

A. Termination by the Travel Agent

1. Termination for Convenience or Cause:

The Travel Agent may terminate its participation in this Agreement for any reason by giving ARC at least fourteen (14) calendar days advance written notice thereof, such termination to become effective on the fifteenth (15th) day following such notice.

B. Termination by ARC

1. Termination for Convenience

ARC may terminate the Agent's participation in this Agreement at any time for any reason upon fourteen (14) calendar days notice to the Agent, such termination to be effective on the fifteenth (15th) day following such notice.

2. Termination for Failure to Pay Fees and Financial Recoveries:

ARC shall terminate the Travel Agent's participation in this Agreement if the Travel Agent fails to pay any monies it owes ARC within twenty (20) calendar days after notice that such are due. The termination shall become effective on the twenty-first (21st) day following such notice.

3. Termination for Cause:

(a) If (i) any Event of Default occurs, or, (ii) in the event that Travel Agent materially or repeatedly defaults in the performance of any of its duties, obligations, or performance requirements as set forth in this Agreement, and, following written notice sent by overnight delivery, does not correct this situation (if it is capable of correction) within a five (5) calendar day period, this Agreement may be terminated to be effective upon the sixth (6th) calendar day following notification.

(b) As used in this Agreement, "Event of Default" means any of the following events: (i) Travel Agent becomes a debtor in any proceeding under any state or federal law for debtor relief or liquidations (bankruptcy or similar laws) or the subject of a receivership proceeding; (ii) Travel Agent disposes of all or substantially all of its assets, or enters into any agreement to do so; (iii) any state or federal regulatory agency exercises its power to take control of Travel Agent or otherwise directs Travel Agent to take any action with respect to the ordinary conduct of Travel Agent's affairs; or (iv) ARC in its reasonable discretion determines that: (a) there is a materially adverse change in Travel Agent's business or financial condition; or (b) Travel Agent or any of its Agency's owners, partners, officers or employees have participated in the commission or attempted commission of a fraud against ARC and/or a Cardmember Client; (v) Travel Agent no longer falls within the above definition of Good Standing; (vi) as a result of any act of omission of Travel Agent, (a) Travel Agent may be in violation of any provision of this Agreement, or (b) ARC may be in breach of, or subject to liability under, any agreement it has with any issuer of a card pursuant to which ARC has processed a transaction on behalf of Travel Agent, whether or not pursuant to this Agreement.

4. Inhibition of TASF Ticketing

At ARC's sole discretion, in situations in which it appears that there may be or has been fraudulent conduct on the part of the Agent, ARC may (i) immediately inhibit the processing of service fees, (ii) notify the system providers to inhibit the transmission of ticketing records for the printing of such onto ARC documents (paper format) by such Agent, and (iii) prohibit the use of ARC document numbers for the issuance of ARC documents (electronic format) by system providers on behalf of such Agent and all agents under common control with the Agent.

5. Termination of the Travel Agency Service Fee Processing Program or Method of Processing:

(a) Travel Agent agrees that ARC may terminate this Agreement, and the Travel Agency Service Fee processing program, at any time, for any reason, by giving the Travel Agent at least ten (10) calendar days advance written notice thereof, such termination to become effective on the eleventh (11th) day following such notice.

(b) ARC may terminate at any time the method by which it currently accepts service fee transactions e.g. Electronic MCO's, manual MCO's, manual TASF documents, or via electronic

transmission. ARC will provide the Agent's participating in this agreement twenty (20) days notice of such action, and such elimination of acceptance effective on the twenty-first (21st) day following such notice.

C. Continuing Obligations After Termination

- ◆ Termination of this Agreement will not affect: (i) Travel Agent's obligations under this Agreement or any of the Travel Agent's successors who have assumed any obligation, responsibility, or liability for Travel Agent or the Travel Agency; or (ii) ARC's obligations, with respect to Financial Recoveries, any other payment owing or any indemnification obligation under this Agreement. Travel Agent shall be responsible for reasonable expenses and attorneys' fees incurred by ARC to protect its interests under this Agreement.

After termination of this Agreement, Travel Agent and ARC agree that any responsibilities of ARC or Travel Agent, accrued or in any way acquired during the period in which the Agreement was effective, will be performed according to the Agreement that was in effect on the effective date of the termination, provided, however, that ARC has no obligations to process Travel Agency Service Fees after termination of this Agreement. Until the date that the termination becomes effective, Travel Agent will continue to honor Valid Cards, and ARC will continue to pay Travel Agent in accordance with the terms of this Agreement.

XVII. LIMITATION OF LIABILITY

ARC's liability, if any, arising out of, or in any way related to, its performance of the services provided herein, including errors which are due solely to malfunction of ARC controlled machines or failure of ARC operators, programmers or programs, shall be limited to actual monetary damages in an amount not to exceed \$500 per occurrence.

ARC shall in no case be liable for special, consequential or exemplary damages. Travel Agent shall indemnify and hold ARC harmless from any person or entity, arising from or relating to ARC's performance under this Agreement, except to the extent such claim results from ARC's misconduct or negligence.

XVIII. DISPUTES AND ARBITRATION

A. Disputes

The Travel Agent, and ARC, as parties to this Agreement, shall use their best efforts mutually to resolve any disputes which may exist between or among them under this Agreement.

B. The Travel Agent Arbitrator

The parties agree to have their disputes resolved by the Travel Agent Arbitrator (TAA). Except as provided herein, disputes between the Agent and ARC shall be resolved by the TAA in accordance with the rules and procedures promulgated and published by the TAA. However, all hearings concerning disputes arising under this Agreement, shall take place at the TAA office, only. The decision of the TAA shall be final and binding; provided, however, that neither the Agent nor ARC is precluded from seeking judicial relief to enforce a decision of the TAA.

C. Legal Actions

ARC may bring a legal action against a Travel Agent for any unpaid fees and charges, which were incurred by the Travel Agent under this Agreement.

XIX. ASSIGNMENT

This Agreement cannot be assigned to any third party by either Travel Agent or ARC without the prior approval of the other party to this Agreement, except that ARC can assign this Agreement to its parent, subsidiary, or affiliate without Travel Agent's prior approval.

XX. SEVERABILITY

If any provision, condition, or covenant of this Agreement shall, to any extent, be invalid or unenforceable, the remainder hereof, or the application of such provision, condition or covenant to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each provision, condition or covenant of this Agreement shall be enforced to the fullest extent permitted by law.

XXI. WAIVER

No delay or omission by either party to exercise any right or power accruing upon any non-compliance or default by the other party with respect to any of the terms of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either of the parties of any of the covenants, conditions, or agreements to be performed by the other shall not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition or agreement herein contained.

XXII. FORCE MAJEURE

ARC will be excused hereunder, for any period it is prevented from performing any services or obligations pursuant hereto in whole or in part as a result of an act of God, war, civil disturbance, court order, labor dispute, severe weather, mechanical equipment failure, or other occasional cause beyond its reasonable control, to include shortages, fluctuations, and/or interruptions in electrical power, heat, light or air conditioning, and such non-performance shall not be a ground for termination.

XXIII. CONFLICT OF LAWS AND VENUE

This Agreement was entered into in Arlington, Virginia, USA, and the principal services performed for the Travel Agent by ARC under this Agreement will occur in Virginia. The provisions of this Agreement shall be interpreted and applied in accordance with the laws of Virginia. Travel Agent expressly acknowledges and accepts the State Courts of Virginia as venue for legal actions arising out of any unpaid fees and charges incurred by the Travel Agent under this Agreement.

XXIV. CHANGES OR AMENDMENTS TO THIS AGREEMENT

Travel Agent agrees that ARC may change this Agreement, at any time by sending a written notice to the Travel Agent at least ten (10) calendar days in advance. Such changes, amendments, or revisions to this Agreement shall become effective immediately upon the eleventh (11th) day after mailing by ARC. If Travel Agent does not wish to accept any such change, Travel Agent may terminate this Agreement in accordance with Section XVI herein.

Travel Agent agrees that ARC may change the amount or percentage of the Processing Fee ARC assesses to the Travel Agent, at any time by sending a notice in accordance with Section XV herein to the Travel Agent at least thirty (30) calendar days in advance. If Travel Agent



does not wish to accept any such change, Travel Agent may terminate this Agreement in accordance with Section XVI herein.

XXV. ENTIRE AGREEMENT

- ◆ This Agreement, its addenda and, where applicable, ARC's "Instructions For Travel Agency Service Fee Transactions," ARC Agent's Choice Terms of Use, and relevant portions of the ARA, which are incorporated herein by reference as though fully set forth in this Agreement, constitute the entire agreement and contain all terms and conditions between the parties regarding Travel Agency Service Fee processing.

ARC hereby reserves the right to incorporate by reference any additional documents, agreements, manuals, or other memoranda as deemed necessary and appropriate by ARC's Management. Such incorporation by reference will be effective immediately upon notification to Travel Agent.

XXVI. MEMORANDUM OF AGREEMENT

ARC has prepared a memorandum of agreement, execution of which binds ARC and the Travel Agent to the terms and conditions of this Agreement. The memorandum of agreement shall be executed and forwarded to ARC with a copy retained by the Travel Agent.

ADDENDUM 1 TO TRAVEL AGENCY SERVICE FEE PROCESSING AGREEMENT

This Addendum and the terms and conditions herein, shall be supplemental to and incorporated in the Travel Agency Service Fee Processing Agreement (Agreement) and are effective immediately consistent with sections XV and XXV of the Agreement. The terms used in this Addendum shall have the same meaning as defined in the Agreement. To the extent that there are any inconsistencies or conflicting provisions between this Addendum and the Agreement, this Addendum shall control.

I. RECOVERY OF CARDS

If, while obtaining Authorization for the sale of a Travel Agency Service Fee, the Travel Agent is instructed by the Authorization center to recover the credit card being offered by the Cardmember Client, the Travel Agent shall, in such circumstances, exert reasonable, peaceful means to obtain possession of the card.

II. RESTRICTED CARD LIST (VISA & MasterCard Only)

Travel Agent shall be deemed to be on notice of information contained on any Restricted Card List provided to Travel Agent and shall cooperate with ARC and its processor in using reasonable methods to recover Cards listed on the Restricted Card List.

III. REFUND POLICY

A. (VISA, MasterCard, & American Express only) : *Legal Question*

Travel Agent agrees to maintain a fair and uniform refund policy. For each and every refund of a Travel Agency Service Fee, the Travel Agent shall complete a Refund/Exchange Notice (REN) and submit it to ARC for processing within five business days of the date shown on the REN. Travel Agent shall tender the Cardmember Client a copy of the REN. Failure to submit the completed REN to ARC within the above time frame may result in the REN being subject to Financial Recovery under section VIII of the Travel Agency Service Fee Processing Agreement.

B. (American Express only)

Travel Agent agrees that its refund policy for the American Express card is at least as favorable as for other forms of payment.

IV. CASH REFUNDS (VISA, MasterCard, & American Express only)

Travel Agent shall make no cash refunds in connection with a Travel Agency Service Fee refund or adjustment, except to the extent it may be required to effect a cash

refund pursuant to the involuntary refund requirements of applicable laws, rules, regulations, or tariffs.

V. DISPUTED CASH REFUNDS (VISA, MasterCard, & American Express only)

If a Cardmember Client disputes the receipt of the proper amount of the cash refund, Travel Agent shall furnish ARC with such documentary evidence of such refund as required by ARC.

VI. EQUAL TREATMENT OF CARDS

Travel Agent shall not institute or adopt any practice that discriminates or provides unequal treatment for users of any card versus any other credit or charge card that the Travel Agent accepts. Travel Agent agrees that if it chooses to promote or advertise acceptance of credit or charge cards at its agency location, for the purchase of Travel Agency Service Fees, it will do so in a fair and equitable manner for all cards.

VII. AUTHORIZATION FOR ALL TRAVEL AGENCY FEE TRANSACTIONS

Travel Agent shall obtain an authorization for the total value of the Travel Agency Service Fee transaction. Travel Agent shall contact an authorization center to obtain authorization before completing the transaction.

VIII. ADDITIONAL FORMATION IN NON-FACE-TO-FACE TRANSACTIONS

In addition to the information required in a Non-Face-To-Face transaction under section III of the ARC Travel Agency Service Fee Processing Agreement, Travel Agent shall include on the Travel Agency Service Fee document the effective date (if listed) and expiration date of the Valid Card as obtained from the Cardmember Client.

IX. SUBMISSION OF CHARGES

In addition to the requirements set forth in section V of the Travel Agency Service Fee

Processing Agreement, Travel Agent shall make a good faith effort to submit each Travel Agency Service Fee document no later than fourteen (14) calendar days following the date of each document. Failure to comply with this requirement may result in the document's Travel Agency Service Fee(s) being subject to Financial Recovery under section VIII of the Travel Agency Service Fee Processing Agreement.

X. NOTIFICATION TO AGENT OF TERMINATION

In the event that ARC's agreement with any of the credit card companies, issuers, processors, or banks terminates for any reason, ARC shall give to the Travel Agent appropriate Notice of such termination consistent with section XV of the Travel Agency Service Fee Processing Agreement. Travel Agent agrees that upon such notice of termination, it shall no longer submit to ARC for processing, Travel Agency Service Fees charged against Cards issued by or processed through the credit card company, issuer, processor, or bank whose agreement with ARC has terminated.

XI. RULES AND REGULATIONS (VISA & MasterCard only)

ARC shall comply, and shall cause all Travel Agents to comply, with all applicable requirements of the Operating Regulations communicated to ARC. ARC shall be responsible for keeping itself and the Travel Agent informed of any changes in the Operating Regulations applicable to the Travel Agency Service Fee transactions, to the extent such changes are communicated to ARC.

XII. ELIGIBILITY (VISA & MasterCard only)

Travel Agents which appear on the Combined Terminated Merchant File published by or on behalf of MasterCard may not submit Travel Agency Service Fee transactions charged against VISA or MasterCard Cards to ARC for processing.