



Air Transport Association of America, Inc.
SPEC2000 PARTICIPATION AGREEMENT

BY SIGNING THIS AGREEMENT, YOU ACCEPT ALL TERMS AND CONDITIONS OF THIS AGREEMENT.

1. INTRODUCTION. Air Transport Association of America, Inc. ("ATA") affords to authorized participants access for specified purposes to certain information contained in one or more of four automated databases which comprise the System. You are considered a supplier if you use the System to offer for sale (a) components and parts for aircraft, aircraft engines and supporting equipment, tools, parts, materiel and appliances, and/or (b) repair services for any or all of the foregoing. You are considered a customer if you use the System to access information on parts, components or repair services from one or more suppliers. You are a participant if you use the System as a supplier or as a customer.

The four automated databases that comprise the System are:

Central Procurement Database: a database containing information provided by participants, including confidential pricing information, about components and parts they offer for aircraft, aircraft engines and supporting equipment parts, materiel and appliances.

Central Repair Database: a database containing information provided by participants, including confidential pricing information, about aircraft and aircraft engine repair services they offer.

Airline Inventory Redistribution System (Surplus Database): a database containing information provided by participants, including quantity and condition, about components and parts they offer for aircraft, aircraft engines and supporting equipment parts, materiel and appliances.

Tools Test and Ground Equipment Database: a database containing information provided by participants about tools, test and ground equipment that are available for sale.

ATA reserves the right to modify the System and the SPEC2000 Specifications at any time. ATA has established an advisory group of representatives of U.S. and foreign participants and representatives of U.S. and foreign aviation-related trade associations to make recommendations regarding changes to the SPEC2000 Specifications. The advisory group will seek to obtain the views of as many participants as possible before recommending a modification to the SPEC2000 Specifications.

2. SYSTEM SECURITY. Correct use of the appropriate equipment and telecommunications connections shall, absent technical interruptions outside ATA's control, enable any person to access and use the System who enters your user identification, passwords, authentication

tokens and/or online access codes (collectively, "Identifiers"). Security of these Identifiers is your responsibility, and you will be responsible for, and hereby agree to pay promptly when due, all fees and charges specified in this Agreement, which result from the access and use of the System by means of your Identifiers. For Web access, each participant shall designate a Participant Administrator who will be responsible for assigning a unique user identification to each user within your company and for recovering or terminating such unique user identification with respect to any user whom you no longer authorize to access the System.

3. PROPRIETARY RIGHTS. The System and all components thereof, including but not limited to the Central Procurement Database, the Central Repair Database, the Airline Inventory Redistribution System (Surplus Database) and the Tools Test and Ground Equipment Database, are owned or licensed by ATA. You expressly acknowledge and agree that information accessible through the System is confidential and proprietary to ATA and individual Suppliers, and you shall not reproduce or permit the reproduction of any portion of such information, whether obtained through direct access or any other means, for dissemination or sale to any other person who is not your employee without the prior written consent of ATA. In particular, without limiting the generality of the foregoing:

- a) a participant shall not use the System to exchange with competitors price or availability information concerning its products or services or the products or services of its competitors;
- b) each supplier shall affirmatively indicate to ATA which participants it authorizes to have access to its listed data, and any customer that does not wish access to the data of a supplier may so notify ATA.
 - i) a participant shall not communicate to its competitors its decisions about data access;
 - ii) ATA shall not communicate any supplier's decisions about data access to any other supplier;
 - iii) ATA shall not disclose a supplier's listed data to participants other than those to whom a supplier has authorized access; and
 - iv) ATA shall provide to each participant direct and unlimited access to all data in the System to which such participant is authorized access.

Each supplier is the sole owner of its own listed data contained in the System, and nothing in this section shall prohibit or limit a supplier from disseminating or reproducing its own listed data.

4. SUPPLIER WARRANTIES. If you are a supplier, you hereby represent and warrant to ATA, and to all customers that use the System, as follows:

- a) You have good and marketable title to every component and part and to all supporting equipment, tools, parts, materiel and appliances you offer for sale through the System.
- b) Every component and part and each supporting equipment part, item of materiel, appliance and service that you offer for sale through the System is available for sale and fully satisfies all applicable requirements set forth in the Federal Aviation Regulations and other national aviation regulations. You agree to remove any of the

foregoing items from the System not more than ten (10) days after it becomes unavailable.

- c) You are certificated, in accordance with the Federal Aviation Regulations and other national aviation regulations, to perform all repair services you offer through the System.

5. RECORD KEEPING AND AUDITS. If you are a supplier, you hereby agree to maintain complete and accurate records needed to (a) ensure traceability of every component and part you offer for sale through the System for aircraft and aircraft engines and of all supporting equipment parts, materiel and appliances, and (b) document your compliance with all applicable requirements set forth in the Federal Aviation Regulations and other national aviation regulations. You further agree that representatives of ATA shall have the right, upon reasonable prior notice, to inspect your premises and audit your records to assure that the items you are offering for sale on the System at any given time are actually available for sale, and that listed items sold or otherwise unavailable have been removed timely from the System.

6. PAYMENT. You hereby agree to pay all System fees in U.S. Dollars within thirty (30) days of the date of invoice. Past-due invoices shall bear interest at a rate of 1-1/2 percent per month (or 18% per year) of the outstanding balance due or the legal maximum interest rate applicable in the jurisdiction in which you are located, whichever is lesser. A payment in arrears for more than 60 days shall subject you to termination of this Agreement under Section 7. System fees shall be as set forth on the then-current SPEC2000 Cost Table. Each updated Cost Table shall be posted within the System at least sixty (60) days before the date on which it becomes effective. System fees posted on the Cost Table are exclusive of all national, federal, state, provincial, municipal and other governmental excise, sales, value-added, use, personal property, occupational and other taxes, excises, withholding obligations and other levies now in force or enacted in the future and, accordingly, the amount of all payments hereunder is subject to an increase equal to the amount of any tax ATA may be required to collect or pay, or you may be required to withhold, in connection with your use of the System, other than any tax on the net income of ATA.

7. TERMINATION. Your right to use the System shall be effective from the date ATA provides you with your Identifiers and shall continue until this Agreement is terminated. Either party may terminate this Agreement at any time upon thirty (30) days prior written notice. ATA reserves the right to terminate this Agreement at any time that (a) any fee or charge owed by you becomes more than sixty (60) days past due or (b) any breach of a material term of this Agreement other than payment obligations is not cured within thirty (30) days after ATA provides you written notice of the breach. When this Agreement terminates or expires, your rights to access and use the System will immediately cease, and all fees and other charges to your account shall become immediately due and payable.

8. ATA LIMITED WARRANTY AND DISCLAIMER. ATA warrants that the System will operate in accordance with the SPEC2000 Specifications in all material respects during the term of this Agreement. A statement of the Year 2000 Functionality of the System is posted within the System. THE FOREGOING LIMITED WARRANTY IS GIVEN IN LIEU OF, AND ATA HEREBY DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF

MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT. IN PARTICULAR, ATA DOES NOT WARRANT THAT (a) YOUR ACCESS TO THE SYSTEM WILL BE UNINTERRUPTED OR ERROR-FREE, (b) ANY INFORMATION AVAILABLE THROUGH THE SYSTEM IS ACCURATE, COMPLETE, CURRENT OR RELIABLE, (c) ANY ITEMS OFFERED FOR SALE THROUGH THE SYSTEM ARE MERCHANTABLE OR FIT FOR ANY PARTICULAR PURPOSE, OR (d) ANY SUPPLIER OFFERING REPAIR SERVICES THROUGH THE SYSTEM IS PROPERLY CERTIFICATED. IT IS THE RESPONSIBILITY OF EACH CUSTOMER TO EVALUATE THE ACCURACY, COMPLETENESS, OR USEFULNESS OF ANY INFORMATION AVAILABLE THROUGH THE SYSTEM.

9. LIMITATION OF LIABILITY. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY TYPE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SYSTEM, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL ATA'S TOTAL LIABILITY UNDER THIS AGREEMENT EXCEED THE TOTAL AMOUNT OF ALL FEES AND CHARGES ACTUALLY PAID BY YOU TO ATA DURING THE CALENDAR YEAR IN WHICH THE CLAIM AROSE. You acknowledge that ATA has agreed to make the System available in reliance on the foregoing limitations of liability and disclaimers of warranty set forth above and that the same form an essential basis of the bargain between the parties.

10. INDEMNIFICATION.

a) In the event that you are sued or incur any damages, costs, expenses, losses or liability arising from the sale, purchase or use of any item listed through the System, you hereby covenant and agree that you will not assert any claim for damages against ATA, its officers and employees or against any registered user of the System that was not a party to the particular sale, purchase or use, or against any member of ATA that was not a party to the particular sale, purchase or use. You further agree not to assert any claim against ATA, its officers and employees for any damages, costs, expenses, losses, or liability arising from System errors in processing of input data, errors in processing and update of the master file, or errors in design or operation of the System listing in any format or version. You also agree not to assert any claims based upon such errors against any ATA member or against any registered user of the System not involved in those errors. An ATA member or a registered user of the System shall not be deemed to be involved in such errors merely by virtue of its status as an ATA member or registered user. Nothing in this section shall limit your right to assert a claim against any person (including ATA, an ATA member or a registered user of the System) to the extent that such claim is based on that person's gross negligence or willful misconduct.

b) You hereby agree to indemnify and hold ATA harmless against any claim for damages, costs, losses, liabilities and expenses, including reasonable attorney's fees and expenses, to the extent arising from your negligence or willful misconduct concerning the performance of your obligations under this Agreement or your failure to comply with your obligations under this Agreement. This indemnification obligation is conditioned upon:

- (i) Your receiving prompt written notice of an actual claim which falls within the scope of this indemnity;
- (ii) Your right to conduct the defense of any action related to such indemnity; and
- (iii) The full cooperation of ATA in such defense.

11. DISPUTE RESOLUTION.

a) General. Any claim or controversy arising out of or relating to the termination of this Agreement by reason of a party's substantial failure to comply with a term or terms of the Agreement shall be settled exclusively by final and binding arbitration in accordance with, at your option, (i) the Commercial Arbitration Rules of the American Arbitration Association, or (ii) the Rules of Conciliation and Arbitration of the International Chamber of Commerce, in either case subject to the provisions of Subsections (b), (c) and (d) below. If ATA has terminated this Agreement and you wish to dispute such termination in arbitration, you shall notify ATA in writing within 30 days of the termination date. Arbitration shall take place in the city where your principal offices are located or any other city upon which you and ATA may mutually agree.

b) Selection of Panel. Arbitration proceedings conducted under this section shall be before a three-member arbitration panel. Within seven days after a party's receipt of notice to arbitrate, you shall appoint one member of the panel, and ATA shall appoint another panel member. The two panel members so appointed shall appoint the third member. The panel shall conduct the proceeding as expeditiously as practicable.

c) Scope of Arbitration. The panel shall determine from all probative evidence submitted to it whether the party substantially failed to comply with a term or terms of the Agreement.

d) Decision. The panel shall render its decision as expeditiously as practicable. Such decision shall be final, binding and enforceable in any court of competent jurisdiction.

e) Expenses. The expenses of the arbitration proceeding shall be paid by the unsuccessful party.

12. GENERAL PROVISIONS. A participant should report to ATA any items listed in the System which it knows to be counterfeit or stolen. This Agreement will be governed by the laws of the District of Columbia, U.S.A., excluding the application of its conflicts of law rules. This Agreement will not be governed by the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded. If any part of this Agreement is found void and unenforceable, it will not affect the validity of the remainder of the Agreement, which shall remain valid and enforceable according to its terms. This Agreement is the complete and exclusive statement of the agreement between you and ATA, and supersedes any proposal or prior agreement, oral or written, and any other communications between us relating to the subject matter of this agreement.

YOU ACKNOWLEDGE THAT YOU HAVE READ THE SPEC2000 PARTICIPATION AGREEMENT AND UNDERSTAND IT. BY SIGNING BELOW, YOU CONSENT TO BE BOUND BY ITS TERMS AND CONDITIONS.

Applicant/Participant:

Signature: _____

Name: _____

Title: _____

Company Name: _____

Address: _____

Telephone: _____

Date of Application: _____

PLEASE SUBMIT BY FAX TO 202-626-6564.

If you have any questions about this Agreement, please contact ATA by:

E-Mail: spec2000@airlines.org
Telephone: 202-626-4039
Facsimile: 202-626-6564
Express Courier: Air Transport Association of America, Inc.
1301 Pennsylvania Avenue, NW
Suite 1100
Washington, D.C. 20004-1707
Attn: SPEC2000 Administrator

ATA Acceptance: _____ Date: _____

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