

Air Cargo Charter Terms and Conditions

1. Applicability. These Air Cargo Charter Terms and Conditions govern transportation of air cargo by Alliance Air Charter ("AAC") where AAC is the aircraft operator on behalf of the customer noted on the Air Cargo Agreement as well as any other entity with an interest in the goods ("Customer") from the point at which AAC has received the cargo for shipment until the cargo is tendered to or tendered or made available to the consignee for delivery except as otherwise set forth herein. Customer acknowledges and agrees that it is authorized to arrange for the services to be provided by AAC hereunder. AAC shall provide air cargo transportation services as the aircraft operator to Customer for the movement of a shipment considered to be an air charter shipment. AAC may terminate this Charter Agreement without notice if Customer is in breach hereof or if AAC, in its sole discretion, determines that transportation contemplated hereunder would be unsafe or violate any applicable law, rule, regulation or convention. In the event of cancellation, the cargo will be returned to Customer at Customer's expense, to the point of origin where it was received by AAC. If AAC hires a third party to act as the aircraft operator, these Air Cargo Charter Terms and Conditions will not apply and such services will instead be subject to AAC's Air Cargo Brokerage Terms and Conditions.

2. Charter Price. The rate to be applied for services provided by AAC and paid by Customer shall be as set forth in the Air Cargo Agreement ("Charter Price"). Any changes to the initial shipment information, including the actual weight or dimensions, provided by Customer may result in change in the Charter Price. All fuel, oil, crew salary, crew expense, and aircraft maintenance fees are included in the Charter Price. All other expenses, charges and costs, including, without limitation, de-icing, transportation taxes, foreign taxes, levies, duties, special or accessorial services (e.g., storage, non-standard on/offloading equipment, cargo security screening, cargo preparation/palletization, etc.) are the responsibility of Customer. Any advancements or disbursements by AAC of such amounts will be promptly reimbursed by Customer. Any payload referred to in this Agreement means the gross payload including the weight of the cargo, packaging, and any and all special equipment required for the loading, carriage or unloading of the shipment to or from the Aircraft. In addition, the Charter Price includes a maximum of one (1) hour of layover/detention at the origin and one (1) hour of layover/detention at the destination. Layover or detention in excess of the foregoing shall be charged to the Customer in fifteen (15) minute increments at AAC's then prevailing detention/layover rates.

3. Payment. All charges must be paid in advance, although AAC may, in its sole discretion, grant credit to Customer which shall in no way be interpreted as a waiver of Customer's obligation of prepayment. Customer shall pay to AAC all amounts owed without offset in U.S. currency and in the manner and within the time specified in this Agreement. In no event will any amounts paid hereunder be deemed a deposit or refundable. If charges arise subsequent to payment by Customer, which charges are advanced by AAC, Customer will immediately reimburse AAC such amounts upon demand. AAC will invoice charges, and invoices are due upon presentation. Amounts due but unpaid shall be subject to a late payment fee of 0.05% per day, up to 1-1/2 % per month, which shall be assessed on the outstanding amount of any invoice. Any late payment fees accrued for a 30-day period shall be added to the outstanding invoice balance of the succeeding 30-day period for purposes of assessing the late payment fee. No set-off, delay or counterclaim (whether arising in respect of this Agreement or otherwise) shall entitle Customer to withhold any sums payable or reimbursable to AAC under or by reason of this Agreement. Customer shall pay for or reimburse AAC for its costs related to any efforts to collect amounts due hereunder, including, but not limited to, legal fees and collection costs.

4. Obligations of Customer. Customer will deliver the cargo properly prepared, labeled, securely packaged, loaded, and ready for transportation by aircraft. Prior to loading, Customer shall provide AAC with the following information: date and place of tender of the Shipment; Shipment destination; name and address of consignee; precise nature of the cargo; number of packages, method of packing; particular marks/numbers used; weight, quantity, volume, and dimensions of cargo; actual condition of the cargo and its packaging at time of tender for shipment; and any special circumstances, conditions or handling information. Customer warrants the completeness and accuracy of this information and agrees that AAC is not responsible for checking or confirming the completeness and accuracy of this information and agrees that AAC shall be entitled to rely upon the completeness and accuracy thereof. All preparation of the shipment for carriage shall be the responsibility of and to the account of Customer. Customer shall not

tender to AAC any Shipment whose contents is classified as a hazardous material or dangerous goods under the USDOT hazardous materials transportation regulations (49 C.F.R. Parts 171, 172, and 173) and the current edition of the International Air Transport Association ("IATA") Dangerous Goods Regulations (together "HM/DG Regulations") without prior notification to, and the written assent of, AAC. CUSTOMER HEREBY DECLARES THAT ALL OF THE AIR TRANSPORT REQUIREMENTS APPLICABLE TO SUCH SHIPMENTS HAVE BEEN MET.

5. AAC's Rights and Responsibilities. Upon acceptance, AAC agrees to provide transportation services with due diligence, but does not guarantee any speed, route, departure or arrival time, or date. AAC shall be at liberty to: refuse any cargo for any reason; make interim stops for fuel, supplies, repairs; and take whatever steps it deems necessary for the protection of itself, the aircraft, pilots and crew.

6. Cancellation. If Customer cancels a trip more than 24 hours before its scheduled departure time, Customer agrees to pay, as liquidated damages, all costs incurred by AAC up to the time of cancellation plus \$1,000. If Customer cancels a trip less than 24 hours before its scheduled departure time, Customer agrees to pay 50% of the Charter price. Cancellation is not available once the flight has been dispatched to origin, at which time 100% of the Charter Price is due and owing. Additionally, AAC may cancel a trip if the cargo is not delivered to the aircraft at the point of departure within three (3) hours of the scheduled departure time.

7. Air Waybill. The air waybill, if any, shall be considered a receipt only and not the contract for transportation. In the event of any conflict between this Charter Agreement and the air waybill, this Charter Agreement will prevail.

8. Loss and Damage Claims. (a) With respect to cargo moving domestically between points within the United States, AAC shall be liable for any cargo loss, damage or delay for any air transportation, ground transportation (including over the entire route), storage, and any other handling to the extent caused by its negligence or willful misconduct. AAC's liability, regardless of any actual or alleged negligence and for air transportation, ground transportation (including over the entire route), storage, and other handling, for any loss, damage or delay to the cargo is limited to the lesser of Customer's actual damages or fifty U.S. cents (US\$0.50) per pound per package, unless additional insurance charges are paid to AAC. Acceptance by the consignee of the cargo without noting damage on the delivery receipt or air waybill will be prima facie evidence that the cargo was received in good order and condition. Time limits for filing claims or suit related to domestic shipments will be as set forth in the Convention for the Unification of Certain Rules for International Carriage by Air, done at Montreal on 28 May 1999 regardless of the fact that such convention is inapplicable to such claims. (b) With respect to shipments moving internationally, AAC's liability and Customer's recovery for cargo loss, damage or delay, including claim and suit filing limits, shall be governed by applicable international convention and any provision herein that conflicts with such convention is inapplicable to the extent of such conflict and the terms of the applicable convention shall control. (c) AAC SHALL NOT BE LIABLE IN ANY EVENT FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, INCOME, INTEREST, UTILITY, OR LOSS OF MARKET, WHETHER OR NOT AAC KNEW OR HAD REASON TO KNOW THAT SUCH DAMAGES MIGHT BE INCURRED.

9. Force Majeure. AAC shall not be liable for any delay in the performance of its respective obligations under this Agreement resulting directly or indirectly from or contributed to by any force majeure, including, but not limited to, acts of God or other circumstances beyond its reasonable control.

10. Dispute Resolution. This Agreement shall be interpreted in accordance with, and governed by, the laws of the United States and of the State of Texas, without regard to the choice-of-law rules of Texas or any other jurisdiction. THE PARTIES AGREE THAT ANY CLAIM OR DISPUTE ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT, WHETHER UNDER FEDERAL, STATE, LOCAL, OR FOREIGN LAW, SHALL BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS SERVING DENTON, TEXAS. THE PARTIES HEREBY CONSENT TO THE JURISDICTION AND VENUE OF THE STATE AND FEDERAL COURTS SERVING DENTON, TEXAS.