

PACE Airlines Terms and Conditions

Article 1 CHARTER PRICE AND PAYMENTS

Section 1.6

Charterer acknowledges and agrees that unless the Carrier has specifically agreed to the contrary, the charter price is subject to adjustment as provided in the Fuel Surcharge Formula as set forth in the FUEL PRICE ADJUSTMENT APPENDIX. Charterer agrees to pay fuel surcharge within ten (10) days after Carrier's issuance of a written fuel surcharge calculation and notification. Carrier will use commercially reasonable efforts to obtain the most economical fuel price available.

FUEL PRICE ADJUSTMENT APPENDIX

Charterer agrees and acknowledges that the charter price is calculated upon the Base Fuel Price as set forth in the Aircraft Charter Agreement. If the Average Fuel Price Per Gallon, defined below, does not exceed the Base Fuel Price, then the charter price established in the Aircraft Charter Agreement will remain unchanged by the provisions of Article 1 Section 6.

A charge, in addition to the charter price, will be assessed to the Charterer in accordance with the Fuel Surcharge Formula, defined below, in the event the Average Fuel Price Per Gallon exceeds the Base Fuel Price. Payment of the Fuel Surcharge shall be as shown by the Aircraft Charter Agreement and Article 1 Section 6.

For purposes of this Appendix, the following definitions shall apply:

“Fuel Surcharge Formula” – Means for every \$0.01 increase in the Average Fuel Price Per Gallon as compared to the Base Fuel Price, the charter price will be increased by \$14.00 multiplied by the actual block hours flown on each affected charter flight.

“Average Fuel Price Per Gallon” – Means the total price of fuel purchased, including all taxes incurred and fuel purchasing fees, divided by the total gallons purchased which coincides with the Charterer's point(s) of origin, intermediate points, and point(s) of destination including all flights required for positioning to and from those points.

3-25-2009