



CHARTER CONTRACT- TERMS AND CONDITIONS

Article 1 CHARTER PRICE AND PAYMENTS

- 1.1 The charter price set forth on the Cover Sheet of this Contract (the "Charter Price") includes all expenses of operating aircraft, which will be used to provide the transportation pursuant to this Contract (the "Aircraft"), excluding additional expenses as may be required under Articles 1.2, 1.6, 10.3 and any governmental tax or fee imposed on or after the date hereof. The Charter Price applies from airport to airport only and does not include ground transportation, accommodations or services prior to the scheduled departure or subsequent to arrival at a destination, unless otherwise specified in writing. Charterer shall not pledge the Aircraft or the credit of Carrier for any purpose. The individual passengers, being transported under this Contract ("Passengers") shall not have the right to claim any refund of the Charter Price or portions thereof from Carrier.
- 1.2 Deviation from the routing or any of the other material terms set out in Aircraft, Routing, In-Flight Service, Charges and Payments Schedule set forth on the Cover Sheet of this Contract (the "Cover Sheet"), the terms and provisions of which are incorporated herein by this reference, through the action or at the request of the Charterer may involve alteration in the Charter Price.
- 1.3 All amounts due Carrier under this Contract shall be payable in U.S. dollars unless Carrier agrees in writing to accept one or more payments in foreign currency. In all cases, where any payment is made in foreign currency, such payment shall be freely convertible into U.S. dollars transferable to the United States and shall be in an amount equivalent to the U.S. dollar amount otherwise required hereunder for such payment as determined by the rate of exchange prevailing on the date on which any such payment is made.
- 1.4 Payments of all amounts due Carrier under this Contract shall be made only by bank wire transfer or certified check payable to Carrier pursuant to the Air Carrier Depository Escrow Agreement. Payment in any other form or to any other person including any travel agent or travel company shall constitute the payee or recipient thereof the agent of Charterer and not of Carrier.
- 1.5 The total Charter Price must be paid in accordance with the Cover Sheet attached hereto.
- 1.6 Charterer acknowledges and agrees that the Charter Price is subject to adjustment for fuel cost increases a) prior to departure, the "Interim Adjustment" and b) as provided in the attached Fuel Price Adjustment Appendix.

Article 2 **OPERATION OF AIRCRAFT AND SCHEDULES**

- 2.1 Carrier shall operate the Aircraft and perform all other services required of it hereunder (collectively the “Services”) in accordance with (a) applicable rules and regulations issued by the United States Department of Transportation as required by its Air Carriers Certificate and the Certificates of Public Convenience and Necessity, (b) all other laws applicable to such operations, and (c) that degree of care, skill and judgment that is standard in the United States for professional contractors engaged in the performance of services of this nature.
- 2.2 Carrier shall perform the Services as an independent contractor. Carrier shall have complete and sole control of the operating personnel providing the Services. The operating personnel are the employees or agents of Carrier and are authorized to take orders only from Carrier, unless a written agreement has been made between the Parties, whereby certain defined instructions may be accepted by operating personnel from the Charterer. The Captain of the Aircraft shall have complete discretion concerning preparation of the Aircraft for flight, the flight of the Aircraft, the load carried and its distribution, whether or not a flight shall be undertaken, the route to be flown, whether and where landings shall be made and all other matters relating to the operation of the Aircraft. The Charterer shall accept all such decisions as final. Passengers and property will be carried within the space and weight limitations of the Aircraft.
- 2.3 Carrier shall use commercially reasonable efforts to meet the departure times set forth in the Cover Sheet attached hereto. The Carrier may, with notice, substitute one or more alternate Aircraft of similar quality. Carrier will provide as much advance notice to Charterer as is possible Subject to the Charterer’s prior approval, which shall not be unreasonably withheld or delayed, Carrier may subcontract the performance of any of its obligations hereunder to another Part 121 certificated carrier. In such event, Carrier, as between Charterer and Carrier, shall be liable for the performance of the Services, except the operation of the substitute aircraft by such subcontractor(s), as if Carrier, itself, had performed such Services.
- 2.4 If one or more Passengers to be carried hereunder for the Charterer, fails to report for check-in, Carrier may depart as scheduled at Charterer’s request or if required by Carrier’s schedule and shall in no way be responsible to Charterer, or to such individual for transportation hereunder.
- 2.5 The Charterer shall have the right to utilize all available Passengers and baggage space contracted for on the Aircraft as described in the Cover Sheet of this Contract subject to applicable regulations and configuration. Carrier’s decision as to the amount of space available to be utilized on any portion of the charter flight shall be final. In the event of substitution of Aircraft, Charterer has no right to more space than it had on the original Aircraft.

- 2.6 In the event of flight delay, Carrier will provide meals and accommodations only to the extent required by DOT Regulations.

Article 3 TARIFFS, GOVERNMENTAL LAWS, REGULATIONS AND APPROVALS

- 3.1 This Contract and all transportation provided hereunder are subject to all applicable tariffs and tariff rules of Carrier on file with regulatory bodies of various countries. A copy of such tariffs and the tariff rules may be inspected on request at any office of Carrier and Charterer shall be deemed to have notice of their contents, whether or not Charterer shall have availed itself of its right to inspect them. Carrier represents to Charterer that such rules are not inconsistent with this Contract.
- 3.2 Carrier represents and warrants that it has its Air Carriers Certificate and Certificates of Public Convenience and Necessity for domestic and international charter transportation and that it will maintain them during the term of this Contract. Carrier will use its best efforts to obtain approvals, clearances, permits or operating authority required to perform the Services that are not issued or granted until immediately prior to or during the flight(s).
- 3.3 The Charterer will comply with, and shall use its good faith, reasonable efforts to ensure the compliance by Passengers with all Treaties, Customs, Police, Public Health and other regulations including the immigration and customs laws, or each country or state from, through, or to which a charter flight is operated pursuant to this Contract and, subject to applicable laws shall indemnify Carrier against, and shall pay any loss, damage or expense suffered or incurred by Carrier by reason of such Passengers' failure to comply. Carrier shall not be liable for any aid or information given by any agent or employee of Carrier to Charterer or any Passenger in connection with obtaining necessary documents or complying with laws, regulations, orders, demands or travel requirements of any country or state, whether given in writing or otherwise or for the consequences to Charterer or any Passenger resulting from failure to obtain such documents or to comply with such laws, etc. Carrier reserves the right to refuse carriage to Charterer or any Passenger whose documents are not complete or who has not complied with the applicable laws, regulations, orders, demands or travel requirements and Carrier shall not be liable for loss or expense due to Charterer's or any Passenger's failure to comply with applicable treaties, laws and regulations. Carrier will use commercially reasonable efforts to advise Charterer of all applicable laws and regulations, but assumes no duty to ensure individual Passengers' compliance with such laws or regulations.
- 3.4 Charterer agrees that Charterer and its agents and charter Passengers have and shall act with regard to the Carrier in a manner wholly consistent with said applicable laws and regulations and it will timely supply the Passenger manifest information and any other paperwork or information required thereby.

Article 4 REPRESENTATIONS and WARRANTIES

4.1 Charterer represents and warrants to Carrier that:

A. If Charterer is a corporation, limited liability company, limited partnership, limited liability partnership, limited liability limited partnership or other form of business organization (collectively, a "Business Organization"), it is duly formed and in good standing under the laws of its state of organization and has the power to enter into and perform this Contract.

B. If Charterer is a Business Organization, this Contract and the execution, delivery and performance thereof by Charterer have been duly authorized by all necessary action of the corporate, company or partnership action, as the case may be, on the part of Charterer; and will not violate any charter, organizational document or governing instrument by which Charterer is bound. This Contract will not violate any provision of law, any order of any court or agency of the government, or, to the best of Charterer's belief, any provision of any indenture, contract or other instrument by which Charterer is bound.

4.2 Carrier represents and warrants to Charterer that:

A. Carrier is a limited liability company duly formed and in good standing under the laws of the State of Arizona and has the power to enter into and perform this Contract.

B. Carrier possesses a Certificate of Public convenience and Necessity issued by the United States Department of Transportation authorizing it to engage in interstate air transportation and a Part 121 Air Carrier Operating Certificate issued by the Federal Aviation Administration (said certificates collectively "Operating Certificates"); as such, it is a DOT and FAA certificated air carrier and complies with all government requirements and has all required licensing authority from governmental agencies, including the FAA and DOT to perform the Services it has committed to provide under this Contract.

C. Carrier is in good standing in the state of its organization and is qualified to do business in each state where the failure to be in good standing would impair its ability to perform the obligations under this Contract.

D. This Contract and the execution, delivery and performance thereof by Carrier have been duly authorized by all necessary action of the company on the part of the Carrier and will not violate any provision of law, any order of any court or agency of the government, the Article of Organization or by-laws of Carrier or, to the best of Carrier's belief any

provision of any indenture, agreement or other instrument by which Carrier is bound.

Article 5 PASSENGERS

- 5.1 Notice to Passengers – Charterer agrees, at its own expense, upon prompt notice from Carrier, to give such notice to Passengers as Carrier shall request upon the occurrence of any event that causes or may cause or result in the delay or cancellation of any one or more charter flights under this Contract.
- 5.2 Security – Passengers are subject to search of their person and search or inspection of their property, including checked baggage, in accordance with security screening procedures, which can include an electronic detector with or without the Passenger’s consent or knowledge, to ensure the safety and security of the flight. Any person, who does not consent to a search of his or her person and any property of any person who does not consent to a search or inspection of such property, may be refused transportation by Carrier and Carrier will have no liability for refund as a result of such refusal.
- 5.3 Disabled Passengers – Passengers with disabilities, to the extent they require accommodations set forth in 14 CFR Part 382, Subpart C, must contact Carrier in advance of travel for regulations governing such Passengers.
- 5.4 Unacceptable Passengers – Carrier will refuse passage to any person whose condition will present any hazard or risk to himself, other persons or property.
- 5.5 Personal Documents – Passports, Visas, Entry/Exit Documents, Vaccination Certificates and all other required documents are the responsibility of the individual Passenger.
- 5.6 Special Dietary Requests – Carrier will use its best efforts to provide food and refreshments in conformity with special dietary requirements. Written requests for such special diets must be submitted by Charterer and must name each Passenger who has made known such requirements by Charterer. Such written requests must be submitted to receipt by Carrier not less than forty-eight (48) hours prior to scheduled departure time of the charter flight. Carrier shall not be responsible for or liable to Charterer or to any Passenger for failure to provide such special dietary requirements whether so requested or otherwise.

Article 6 BAGGAGE

- 6.1 Conditions of Acceptance – Carrier will accept for transportation over its line as baggage only such personal property as is reasonably necessary for the purposes

of the trip which will not compromise the safety of the flight and which can be transported in accordance with applicable laws and government regulations. Carrier may refuse to carry baggage or property for transportation on any flight other than the one on which the Passenger is to be transported. Carrier may refuse any property for transportation if it cannot accept ordinary handling or if its weight, size or character renders it unsuitable for transportation.

- 6.2 Fragile and Perishable Items – Carrier reserves the right to determine that fragile, perishable or high value items are unsuitable for carriage and to refuse to carry them on the flight. If Charterer requests that such items be carried after a determination by Carrier not to carry them because of the risk of damage to such items and Carrier accedes to the request, such carriage shall be at the sole risk of Charterer and Charterer shall indemnify Carrier for any such damages arising from the carriage of such items.
- 6.3 Live Animals – Carrier will not accept any live animals except seeing-eye dogs with their masters and certain animals on Overseas Military Personnel Charters in accordance with company regulations, which are available on request.
- 6.4 Identification – Carrier may refuse to accept for transportation any baggage that does not bear a tag, label or other device with the Passenger’s full name and address.

Article 7 LIMITATIONS OF LIABILITY

- 7.1 This Contract shall be subject to the limitations and obligations set forth in the attached “International Transportation Appendix,” if applicable, and its terms, if attached are incorporated herein by reference.
- 7.2 Carrier assumes liability only for Passenger baggage in its possession, from airport to airport, and assumes no responsibility for baggage in the possession of tour operators, transfer companies, shipping companies, hotels, inns, other airlines, or property not delivered to Carrier or delivered to Carrier in damaged condition.
- 7.3 In no event shall either Party be liable to the other or those who claim through the other Party, for indirect, special, consequential, exemplary or incidental losses and/or damages, including but not limited to loss of profits, lost business, loss of goodwill, loss of opportunity, arising out of or resulting from, or in any way related to this Contract or the provision of Services hereunder or the failure of or delay in the Services and each Party hereby waives for itself and those who may claim by or through it any right to such losses and/or damages.

Article 8 CLAIMS

- 8.1 No action shall be maintained for any loss, or any damage to, or any delay in the delivery of, any property or baggage, or on any other claims (other than personal injury or death), arising out of or in connection with the contracted transportation

unless (a) such action is commenced within 2 years after such alleged occurrence and (b) written notice of the claim shall have been mailed, by certified mail, to the Carrier's home office within (i) 45 days after the alleged occurrence of the events giving rise to the claim, with respect to loss or, damage to, or delay in delivery of property or baggage, or (ii) within one (1) year after the occurrence of the events giving rise to the claim, with respect to all other claims, except that when international transportation is involved, notice of a claim respecting damages to baggage shall have been given within 7 days from the date of receipt, and with respect to delay of baggage notice shall have been given within 21 days from the date on which the baggage was placed at Passenger's disposal. However, failure to give the above notice shall not be a bar if a claimant establishes to the reasonable satisfaction of Carrier that he or she was unable to give such notice.

Article 9 FORCE MAJEURE

9.1 Carrier shall not be liable for any cancellation, delay, interruption or prevention of completion of the contracted transportation or its failure to perform any act required pursuant to this Contract which is beyond the reasonable control of Carrier and arises from any of the followings: laws, regulations, requirements, acts, demands, orders, interposition's or interference of any government or governmental authority, Acts of God, hijacking, riots, civil commotions, strikes or labor stoppage (whether resulting from disputes between Carrier and its employees or between other parties), fire, fog, weather, inability to obtain fuel, quarantines, requisitions of the Aircraft , military emergency, war, rebellion, insurrections, hostilities or hazards or dangers incident thereto, damage or accident to or failures, mechanical difficulties or breakdown of the Aircraft or any part thereof or any machinery or apparatus in connection therewith, failure or refusal by any governmental authority to issue approvals, clearances, permits, operating, layover or traffic rights or rescission or revocation thereof, or any other cause whatsoever which is beyond the control of the Carrier.

Article 10 TRANSPORTATION SECURITY

10.1 Charterer agrees and understands that in the event the Transportation Security Administration (TSA) or other Foreign Transportation Security Agencies (FTSA) implements enhanced security procedures for Part 121 charters that all Passengers and their accessible baggage will be subject to security screening and search. Additionally, this may require any private charter flight that departs from an airport normally served by scheduled air carrier service to utilize the air carrier's Passenger terminal for departure to accomplish Passenger and accessible baggage screening. Furthermore, if the origination airport is not normally serviced by a scheduled air carrier and TSA and FTSA approved screening is not available or cannot be arranged, the Charterer may terminate this Contract and Carrier shall promptly refund to Charterer any paid but unearned amounts under this Contract.

- 10.2 For charters that operate over multiple legs, in the event that TSA or FTSA approved screening is not available or cannot be arranged, the segment shall be operated out of an airport where TSA or FTSA approved screening is available – normally a scheduled air carrier airport.
- 10.3 The Charterer understands they will be invoiced for any additional costs associated with the required screening of Passengers and their accessible baggage; and agrees to provide payment to the Carrier within the time period specified in the Cover Sheet.

Article 11 CANCELLATION

- 11.1 Either party may, subject to the notice and cure provisions set forth below, terminate this contract if the other party (a) commits any material breach of this contract, or (b) becomes bankrupt (or if a company, goes into liquidation), commits an act of bankruptcy, or enters into an arrangement with its creditors, or (c) if Charterer is ineligible for charter transportation under the provisions of applicable tariffs, DOT Regulations or Canadian Air Carrier Regulations; provided that the terminating party must have provided the breaching party with (1) written notice specifying the breach, and (2) a reasonable opportunity to cure such breach (provided such breach is of a nature which is reasonably susceptible of cure and if payment is in default, Carrier shall be relieved of any performance obligations). For purposes of this Section, five (5) days is reasonable opportunity to cure payment.
- 11.2 In the event this contract is canceled either at the request of the Charterer for any reason other than breach of this agreement by Carrier, or by Carrier for the reasons set forth in Article 11.1 above; the parties specifically agree that the amounts on deposit with Carrier may be retained and applied to the cancellation charges hereinafter set forth in this contract and that the Carrier has a security interest in the deposit and has all rights of a secured credit under the Uniform Commercial Code of Arizona.
- 11.3 Should Charterer determine for any reason to cancel this agreement at any time for any reason other than Carrier's acts set forth in 11.1 above, Charterer shall pay Carrier that amount in liquidated damages as set forth in the Cancellation Appendix.

Article 12 INSURANCE

- 12.1 Carrier will maintain, or cause to be maintained, in full force at all times, with respect to the Aircraft, and all operations incidental to the operation thereof, including without limitation, the charter flights, insurance meeting or exceeding

the requirements of the DOT Regulations and at all times, Carrier while performing the Services which are the subject of this Contract, shall cause to be carried and maintained with insurers acceptable to Charterer, at Carrier's sole expense, insurance coverage in not less than the amounts and containing the provisions and upon the terms and conditions set forth below:

- (a) Comprehensive Airline Liability Insurance – Comprehensive Airline Liability Insurance including bodily injury (including Passengers) and property damage liability with a combined single limit of not less than Seven Hundred Fifty Million Dollars (\$750,000,000) each occurrence/aggregate, where applicable. Such liability policies shall name Charterer, and its respective parent, subsidiary and affiliated companies and the directors, officers and employees of each, as additional insured's, as their respective interests may appear, and shall include cross liability and a clause stating that such insurance is primary or excess with respect to the Aircraft or substitute or replacement Aircraft used in performing this Contract, and such insurance shall not be contributory with or excess over any insurance carried by Charterer, and their respective parent, subsidiary and affiliated companies and the directors, officers and employees of each.
- (b) Aircraft Hull Insurance – Aircraft hull insurance covering the Aircraft hull and engines and all Aircraft equipped against "All Risks" of loss or damage for the agreed upon value of the Aircraft. Such insurance shall contain by endorsement a waiver of subrogation in favor of Charterer, Artist and their respective parent, subsidiary and affiliated companies and the directors, officers and employees of each, and all deductibles under such insurance shall be for the account of Carrier.
- (c) Certificate of Insurance – Prior to commencement of this Contract, Carrier shall provide Charterer with a certificate of insurance complying with the provisions contained in paragraphs (a) and (b) above. Such certificate of insurance shall also provide that, in the event of a cancellation or material restrictive change of the policy with respect to the Aircraft for which the certificate is issued which would adversely affect the interest of such additional insured's, the insurers agree to provide thirty (30) days prior written notice to Charterer.
- (d) War Risk Insurance – Carrier will maintain War Risk & Allied Risk Perils Insurance as provided by the United States Government.

Article 13 INDEMNIFICATION

- 13.1 Subject to paragraph 13.3 below, Charterer shall indemnify, defend and hold harmless Carrier, and its directors, officers, employees, servants and agents (collectively, the "Carrier Indemnified Parties" and individually, a "Carrier Indemnified Party") from and against any and all claims, damages, losses, liabilities, judgments, fines, civil penalties, suits and causes of action of every kind, character and nature whether groundless or otherwise, as well as costs and expenses of any kind, character or nature whatsoever, including but not limited to

interest, court costs and reasonable attorney's fees (collectively, "Claims" and individually a "Claim"), to the extent the same arises out of or result from Charterer's breach of this Contract, the performance or nonperformance of Charterer's obligations under this Contract, or otherwise arises out of or relates to the negligence or willful misconduct of Charterer, its officers, directors, employees, Passengers, guests and/or invitees or agents; provided, however, that nothing in this section shall be construed to limit or otherwise affect in any manner any claims by Charterer for indemnification to the extent provided for in Article 13.2, below. This Contract shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity, which would otherwise exist as to any Party or person, described in this section. The indemnification obligations of this Section shall survive termination or expiration of this Contract.

- 13.2 Subject to paragraph 13.3 below, Carrier shall indemnify, defend and hold harmless Charterer, and its directors, officers, employees, servants and agents (collectively, the "Charterer Indemnified Parties and individually, a "Charterer Indemnified Party") from and against any and all claims which in any way arise out of or result from Carrier's breach of this Contract, the performance or nonperformance of Carrier's obligations under this Contract, or otherwise arise out of or relate to the negligence or willful misconduct of Carriers its officers, directors, employees or agents; provided, however, that nothing in this section shall be construed to limit or otherwise affect in any manner any claims by Carrier which arise from or relate to a breach of this agreement by Charterer (except to the extent such breach arises from or is caused by Carrier's failure to perform its obligations hereunder). The indemnification obligations of this Section shall survive termination or expiration of this Contract and are limited only to claims covered by the insurance required by Articles 12 hereof and no indemnifications are provided beyond that limit.
- 13.3 The Charterer shall be named as an additional insured on the Comprehensive Airline Liability including Aircraft Third Part Bodily Injury (including Passengers) and Property Damage. Subject to the qualifications hereinafter set forth, Carrier and Charterer shall not be liable to the other for any loss or damage to property or injury to or death of persons ("Loss") occurring in any manner growing out of or connected with or arising out of this Contract whether or not caused by the negligence or other fault of Carrier or Charterer or their respective agents, or employees. Carrier, Charterer and their respective insured's shall provide a waiver of subrogation to the other party with respect to claims covered by this subrogation. Nothing in this paragraph shall be construed to impose any other or greater liability upon either Charterer or Carrier than would have existed in the absence of this paragraph. This release shall be effective only so long as it shall not affect the right of the insured to recover under applicable insurance policies. Charterer will be provided with an insurance certificate from Carrier's insurer naming it as an additional insured and setting forth the amount of the coverage.

Article 14 MISCELLANEOUS

- 14.1 Charterer may not assign this Contract or subcontract all or any portion of the Aircraft capacity chartered hereunder, or permit the Aircraft to be used by any person other than Charterer and the group and/or property agreed to be carried by Carrier at the time of the signing of the Contract without the written consent of the Carrier.
- 14.2 This Contract shall be construed according to the laws of the State of Arizona.
- 14.3 The illegality or non-validity of any paragraph, clause or provision contained or referred to in this Contract shall not affect or invalidate any other paragraph, clause or provision hereof.
- 14.4 No agent, representative or employee of either Party, except an officer of such Party, is authorized to alter, modify or waive any provision of this Contract.
- 14.5 Titles are inserted in this Contract for the purpose of reference and convenience and in no way define, limit or describe the scope or intent of this Contract and are not to be deemed a part hereof.
- 14.6 All notices and other required communications under this Contract ("Notices") shall be in writing, and shall be sent to the addresses in the signature blocks set forth below. A Party may change its address by sending Notice to the other Party of the new address. Notices shall be given: (a) by personal delivery to the other Party; (b) by facsimile, with a confirmation sent by registered or certified mail, return receipt requested; (c) by registered or certified mail, return receipt requested; or (d) by express courier (e.g. DHL, Federal Express, etc.). Notices shall be effective and shall be deemed delivered: (i) if by personal delivery, on the date of the personal delivery; (ii) if by facsimile, on the date stated in the electronic confirmation, delivered during normal business hours (8:00 a.m. to 5:00 p.m. at recipient's location), and, if not delivered during normal business hours, on the next business day following delivery; (iii) if solely by mail, 3 days after the date of receipt, or (iv) if by express courier, on the date signed for or rejected as reflected in the courier's delivery log.
- 14.7 This Contract shall be for a term commencing on the date the last party hereto signs the cover page to this Contract and ending, unless sooner terminated as permitted hereunder, when the obligations of both parties hereunder have been completed.

Terms & Conditions Acceptance Page

Carrier Name: Swift Air LLC

Signed by:

Its: _____

Charterer Name: _____

Signed by:

Its: _____

Address for Notices:

Carrier:

Swift Air LLC
Kevin Burdette
Suite E-100 Suite 108
2406 South 24th Street
Phoenix, Arizona 85034

Charterer:

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 post-trip charge (“Fuel Surcharge”), in excess of the charter price, may be invoiced 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 additional amount owed to Carrier at completion of the flight will be calculated as \$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, which directly 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, divided by the total gallons purchased, which directly 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.

INTERNATIONAL FLIGHT APPENDIX

Carriage hereunder may be subject to the rules and limitations relating to liability and all other provisions established by the Warsaw Convention and Hague Protocol or the Montreal Convention thereto insofar as such carriage is “international transportation” as defined therein and is governed thereby. Carriage hereunder which is not governed by the Warsaw Convention, the Hague Protocol or the Montreal Convention shall be subject to all applicable laws which extend the provisions of the Convention to such carriage or which otherwise limit Carrier’s liability. Charterer shall give this Notice to each of its Passengers on any flight that involves international transportation. Charterer shall indemnify Carrier from any damages that it may incur as a result of such failure to provide this Notice.

FLIGHT DELAY APPENDIX

In the event of flight delay requiring overnight stays and/or meals and other expenses, caused by Carrier, or due to circumstances under its control, not subject to the Force Majeure provisions hereof (Article 9), Carrier will provide meals and accommodations for the Charterer's Passengers in hotels similar to those used by Charterer in the normal course of its business. Meals, hotel and other incidental costs will be reimbursed by Carrier.

CANCELLATION APPENDIX

Should this contract be cancelled by the Charterer, more than thirty (30) days prior to the first departure, the Charterer shall have a cancellation charge of fifty percent (50%) of the total charter price. Should the Charterer cancel the contract within thirty (30) days of the first departure, the Charterer's cancellation charge will be 100% of the total charter price.