

# Master Terms and Conditions for all Charter Agreements

April 1, 2010



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## Charter Agreement Master Terms and Conditions

**The following Master Terms and Conditions for all Charter Agreements** apply to all charter operations conducted by GENERAL AVIATION FLYING SERVICE, INC., a New Jersey corporation having an office at 485 Industrial Avenue, Teterboro, New Jersey 07608 and doing business as MERIDIAN AIR CHARTER ("MAC"), and each and every charter customer (each a "Client") who executes a charter quote with MAC, except to the extent that the quote contains special terms and conditions that specifically replace those set forth below.

1. Basic Agreement. Client and MAC agree that the following terms and conditions shall apply to all charters from the point at which MAC has received Client's passengers for transport until the aircraft reaches the final destination, except as otherwise noted herein or specifically modified on the applicable quote sheet, with these Master Terms and Conditions, together with the applicable quote sheet, constituting an "Air Charter Agreement" or "Agreement."
  - A. Booking. For each separate flight or series of flights to be completed under this Agreement, Client will sign and date the quote sheet where indicated. Fax the completed form to **201-288-1229**. Full payment of the quoted price must be received by MAC prior to dispatching the aircraft.
  - B. Price. Client shall pay MAC the minimum of the "Grand Total" charter price set forth on the face of the quote sheet plus any additional billing per this Agreement, which shall be deemed irrevocably earned unless transportation hereunder is canceled, in which event the provisions of subsection 4.D., below, shall apply. The price is based on the planned itinerary and anticipated charges. Price includes estimated charges and taxes for the flight itinerary listed above. Additional flight time charges may be incurred in the event of weather avoidance, holding, and ATC routing changes. A two hour minimum flight charge per day applies to all trips per subsection 2.D. Quote does not include after-hours airport operation fees, parking fees, aircraft de-icing or hangar-related expenses due to ice or inclement weather, catering, flight phone, customer special requests, or itinerary change. Should any part of this itinerary change the trip may be re-quoted. Certain 3rd party charges may incur a 10% service fee. Additional charges may not be included with original invoice and may be billed at a later time.
  - C. Flight Minimums. There is a minimum flight hour charge of 2 hours average per calendar day. For example, if a five-day trip involves only eight hours of flying, then the minimum will apply resulting in a charge of 10 flight hours.
  - D. Flight Crew Flight and Duty Time. In order to comply with Federal Aviation Regulations, the parties shall provide for no more than ten (10) flight hours and fourteen (14) duty hours within any twenty-four (24) hour period. There shall be ten (10) hours of uninterrupted rest within each twenty-four (24) hour period. Duty time shall normally begin two (2) hours before each daily flight sequence and end a half (1/2) hour after each daily flight sequence, unless provisions such as a hotel room for each crewmember is provided for a rest period per subsection 2.E., below, in between flights; otherwise, the duty time continues.
  - E. Rest Period. An uninterrupted rest period of ten (10) consecutive hours shall begin a half (1/2) hour after a flight sequence if that rest period includes the use of a hotel room or
2. Charter Price, Charges and Related Provisions.
  - A. Booking. For each separate flight or series of flights to be completed under this Agreement, Client will sign and date the quote sheet where indicated. Fax the completed form to **201-288-1229**. Full payment of the quoted price must be received by MAC prior to dispatching the aircraft.
  - B. Price. Client shall pay MAC the minimum of the "Grand Total" charter price set forth on the face of the quote sheet plus any additional billing per this Agreement, which shall be deemed irrevocably earned unless transportation hereunder is canceled, in which event the provisions of subsection 4.D., below, shall apply. The price is based on the planned itinerary and anticipated charges. Price includes estimated charges and taxes for the flight

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other suitable area for crew rest. The rest period normally ends two (2) hours prior to the scheduled departure.

- F. Expenses, Charges and Advances. All fuel, oil, crew salary, and aircraft maintenance shall be paid by MAC. Any fuel surcharge shall be paid for by Client. All other expenses, charges and costs, including, without limitation, transportation taxes, foreign taxes, levies, non-objection fees, duties, royalties, catering, ground transportation, air phone, deicing, hangar fees for inclement weather, landing fees, handling fees, airway fees, security fees, navigation fees, ramp fees, after-hours airport operations fees, parking fees, and special or accessorial services requested by Client shall be paid for by Client. Any advances or disbursements made by MAC for Client shall be promptly reimbursed by Client.

- G. Airborne Phone and Airborne Internet. If an aircraft telephone and/or airborne internet service is available and used during the charter, Client will be charged for such usage after your trip and when we receive the statement.

- H. Restricted Activities; MAC's Right of Refusal to Conduct Flight. All aircraft are restricted from the following activities:

i. Smoking of tobacco or other similar products of any kind.

ii. The carriage of pets.

Client agrees and acknowledges that MAC reserves the right to refuse to commence a charter trip, or to terminate a charter trip as soon as is reasonably practicable, in the event Client attempts to bring any type of pet, or to smoke, on board the aircraft. In the event Client breaches either of these requirements and MAC is unable to terminate the trip before a pet is brought on board or

smoking on board the aircraft occurs, Client agrees and acknowledges that (i) Client shall be responsible for any damages resulting from these activities, including but not necessarily limited to cleaning costs and costs from any loss of use of the aircraft while it is being cleaned, the full cost of Client's scheduled trip, and any additional repositioning costs arising from the early termination of the charter trip; and (ii) MAC shall have full authority to charge all of said above amounts to Client's credit card in addition to any other costs and expenses owed by Client hereunder.

- I. Payment. MAC must receive payment in full for all anticipated charges prior to origination of the charter. MAC will accept the following methods of payment: (i) Bank of America customers - via online transfer; or (ii) wire transfer in accordance with the wire transfer instructions noted in 2J below; or (iii) credit card charge which shall include a five (5%) percent processing fee. All Funds must be payable in US dollars and must clear MAC's bank account before the aircraft is dispatched. In addition, a credit card shall be provided, or other arrangements made, by Client for any additional charges incurred beyond those paid for in accordance with the payment procedures herein. Upon Completion of the charter, MAC shall invoice Client for all actual charges, expenses and advances. Payment shall be due upon presentation of invoice without deduction or setoff except for any amount previously paid for anticipated charges. Should such invoice not be paid upon receipt, MAC will automatically, and without further notice, charge client provided credit card, the balance together with the five (5%) percent processing fee.

- J. Wire Transfer.

Bank Name: Bank of America

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Address: 152 Boulevard  
Hasbrouck Heights, NJ 07604  
Account #: 4004 038 643  
ABA #: 0260-0959-3  
Name on Account: General Aviation  
Flying Service, Inc. d/b/a Meridian  
Air Charter Teterboro  
Contact: Carl DePalma  
Phone: 201-288-6820  
Swift Code: BOFAUS3N

- K. Collection, Lien and Related Rights.  
Client shall remain responsible for all sums due hereunder until fully paid. In the event Client fails to make payment of any sums due and owing within the timeframe provided for herein, in addition to the amounts due and owing, Client shall pay interest at the rate of one and one-half (1.5%) percent per month or the highest legal rate, whichever is less until paid. Moreover, Client shall also pay for and/or reimburse MAC for its costs related to any efforts to collect amounts due hereunder, including, but not limited to, reasonable legal fees and costs.
3. Price and Payment.
- A. The price has been fixed on basis of the current local taxes and other public fees and fuel price of the date of present Air Charter Agreement. MAC reserves the right to adjust the charter price in the event of Governmental Authorities imposing new taxes or fees and/or increasing existing taxes and fees directly connected with the flight transportation and for changes in the fuel price implemented after the date of issue of the Air Charter Agreement.
- B. MAC reserves the right to adjust the charter price due to any change of rate of exchange from the date of signature until the completion of the Air Charter Agreement. If agreement cannot be achieved as to adjustment of the charter price, MAC shall have the option to cancel the Air Charter Agreement without compensation. Payment must be made in conformity with the rules and regulations of all governments concerned and must be accompanied by authorization necessary for conversion and transfer of such currencies as may be required by Client. Any refund by MAC under this Air Charter Agreement shall be made in the currency and at the place where the payment was originally made by Client.
- C. Passenger ground transportation is not included in the charter price.
4. MAC's Rights and Responsibilities.
- A. Exclusive Control and Performance.  
MAC shall have exclusive direction and control over the aircraft, its crew and passengers, and all cargo on board. MAC agrees to undertake to provide the transportation services with due diligence but does not guarantee any speed, route, departure or arrival time or date.
- B. Aircraft Availability. Client acknowledges that the aircraft availability is subject to, without limitation, prior booking, crew availability, weather and ATC related events, maintenance requirements, sale of the aircraft, use by the aircraft owner, and withdrawal from charter service.
- C. Subcontracting of flight. MAC shall be entitled to subcontract the whole or any part of the transportation services, and each such subcontractor shall be entitled to all rights, benefits, defenses, limitations and/or immunities available to MAC pursuant to this charter. Subcontractor shall be a properly certificated charter operator and shall

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- be approved by MAC. Client shall have the right to refuse the subcontracted flight without penalty.
- D. Aircraft Substitution. Should the quoted aircraft be unavailable, Meridian shall use its best efforts to arrange for a substantially similar substitute aircraft at the best available rate among either Meridian's fleet or approved subcontractors. Client will be provided with a written quote for the substitute aircraft to include the cancellation policy of the vendor.
- E. Liberties. MAC shall be at liberty to make interim stops for fuel, supplies, repairs and take whatever steps and do whatever actions it deems necessary for the protection of itself, the aircraft, pilots and passengers, including, without limitation, the substitution of another aircraft. MAC shall also be excused from delay or inability to perform caused by circumstances beyond its reasonable control.
- F. Right of Refusal. In addition to the rights set forth in Section 2.H. above, MAC may refuse carriage of cargo, baggage, or luggage that, in its sole discretion: is improperly packaged; is not suitable for carriage; is hazardous and/or dangerous; exceeds the operational capacity of the aircraft; cannot be loaded within the allotted space; cannot be transported in accordance with applicable laws and regulations; or, has an aggregated value in excess of \$1,000,000 with no prior special arrangements having been made.
- G. Cancellation. If transportation is canceled pursuant to this subsection, Client shall pay the following amount to MAC: 2 hours at the hourly charter rate if canceled less than 24 hours from the originally scheduled departure time for domestic flights and if canceled less than 48 hours from the originally scheduled departure time for international flights. The date and time of the intended flight departure shall be used for calculating how long in advance cancellation occurred. Said amount is not to be deemed a penalty, but rather shall be paid to MAC for MAC's actual expense and damage caused by cancellation. MAC may terminate this Air Charter Agreement by notice to Client without any compensation:
- i. If Client commits any breach of this Air Charter Agreement.
  - ii. If Client suspends payment or goes bankrupt (or goes into liquidation) or commits an act of bankruptcy or enters into an agreement with his creditors.
  - iii. If Client cancels more than two flights in a series of flights, MAC is entitled to cancel the remaining flights in this series without being liable to pay any cancellation fee or compensation whatsoever, provided that MAC makes use of this right of cancellation within eight days after receipt of Client's notice of cancellation of any third or more flights.
  - iv. Client shall indemnify MAC for all claims whatsoever put forward by passengers, shippers or other persons in connection with cancellation on the part of either Client or MAC.
- H. Termination. MAC may terminate a charter without notice if MAC, in its sole discretion, determines that transportation would be unsafe or in violation of any applicable law, rule or regulation.
5. Client's Rights and Responsibilities.
- A. Passenger Information Worksheet. Prior to flight departure, Client is required to complete and deliver to

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MAC a Passenger Information Worksheet setting forth: the passenger names and weights; the legs each passenger will be flying; the ID type and number for each passenger (photo id required); and, if applicable, catering preferences. International flights require the passenger's date of birth, passport number and country of issue, and applicable visa information.

- B. Passenger Baggage. The following items must be declared prior to the departure date:
- i. Drugs
  - ii. Weapons
  - iii. Hazardous Cargo
  - iv. Unusually Heavy or Large Items
- The standard per person baggage allowance is one (1) 30 pound bag plus one (1) personal item. Certain aircraft have limited baggage capacity to carry more than the standard allowance. It is the responsibility of Client to bring to MAC's attention prior to the flight their desire to carry an amount of luggage greater than the standard allowance. This will allow MAC an opportunity to determine if the luggage can be carried. If the aircraft cannot be loaded with all of the intended luggage it may be shipped separately via an available air freight or courier service to the destination at the option and expense of Client.
- C. Hazardous Cargo. Client shall not tender to MAC any cargo that is hazardous or dangerous.
- D. Weapons. You may not bring weapons aboard the aircraft without prior arrangements. If weapons are detected, you may be subject to prosecution by law enforcement authorities.
- E. Preparation and Delivery of Cargo. Client shall deliver the cargo to MAC at the time and place indicated on the

face, properly prepared, labeled, securely packaged, and ready for transportation by aircraft. Weight and size of cargo shall be provided prior to the departure date.

- F. Other Responsibilities. Client shall be responsible for loss or damage to the aircraft or other property aboard the aircraft, including expense, claim, liability and/or suit associated therewith, caused by or attributable to Client, its employees and/or the cargo. Client shall also be responsible for any other matter allocated to it pursuant to this charter, including loss, damage, expense, claim, liability and/or suit associated therewith, to include all matters not specifically allocated to MAC. Client agrees to indemnify and hold harmless (including legal fees and costs) MAC of and from the foregoing responsibilities.
6. Liability and Indemnity. MAC's liability with respect to any cargo, Client, Consignee and/or any other party claiming with respect to cargo or goods and whether for loss, damage, delay, shortage, misdelivery, failure to delivery or otherwise, shall be only as follows:
- A. All charter flights conducted by MAC under this Agreement shall be covered by aircraft liability insurance. At Client's request, MAC will provide Client a certificate of insurance evidencing such liability coverage and naming Client as an additional insured. Insurance coverage for loss or damage to property (including, without limitation, baggage and personal effects) of Client or any passenger will be limited to the relevant insurance coverage in place. Upon request from Client, and if available, MAC will arrange for higher coverage for any such property loss or damage in consideration of an additional charge as specified by MAC.

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- B. Client shall indemnify MAC, its employees and agents against all claims, expenses and costs, including legal costs, in respect of any liability to third parties for any damage whatsoever arising out of any act or omission on the part of Client, passengers and shippers, resulting in liability of MAC, its employees or agents.
- C. Exceptions. MAC shall not be liable for loss, damage, delay or other result caused by:
- i. acts of Force Majeure (as defined below);
  - ii. the act or default of Client or Consignee;
  - iii. the nature of the cargo or any defect, characteristic or inherent vice thereof;
  - iv. violation by Client or Consignee of any term or condition contained in or incorporated into this charter, including, without limitation, improper packing, securing, marking or addressing, and/or failure to observe any of the terms or conditions relating to shipments not acceptable for transportation or acceptable only under certain conditions; or
  - v. compliance with the delivery provisions from Client or noncompliance with special instructions not authorized herein.
- D. Limitation of Liability.
- i. Client agrees that unless a higher value is declared on the face hereof MAC's liability for loss, damage or otherwise with respect to cargo is limited to fifty cents (\$.50) per pound actual weight of the cargo so lost or damaged or actual loss or damage with respect to said cargo, whichever is less.
- ii. IN THE CASE OF AN INSURABLE EVENT, AND PROVIDED THAT ALL INSURANCE AS IS REQUIRED UNDER SUBSECTION 6(A) ABOVE IS IN FULL FORCE AND EFFECT AND NO DENIAL OF COVERAGE HAS OCCURRED FOR ANY REASON WHATSOEVER (EXCEPT FOR A DENIAL ARISING SOLELY DUE TO CLIENT'S OWN ACTIONS OR FAILURE TO ACT), CLIENT AGREES THAT THE INSURANCE PROCEEDS TO WHICH IT IS ENTITLED WILL BE ACCEPTED AS CLIENT'S SOLE RECOURSE AGAINST MAC FOR ANY LOSS OR DAMAGE TO CLIENT EXCEPT TO THE EXTENT CAUSED BY OR DUE TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF MAC.
- iii. In no event shall any Party be liable to the other, or have any duty for indemnification or contribution to the other, for any claimed indirect, special incidental, consequential or punitive damages, costs or expenses, including attorneys' fees and including damages for loss of revenue, profit, business opportunities and the like, even if such Party had been advised, or knew or should have known of the possibility of such damages.
7. Catering. Our customer care team will arrange catering for your trip. Our customer care team will strive to meet your requests; however, it is not uncommon for some items to be unavailable. In this case, we will strive to match your requests as closely as possible.

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8. Diversions. MAC may at the reasonable discretion of the aircraft Captain or MAC's Director or Operation or Chief Pilot divert, postpone or delay any charter flight. MAC assumes no obligations to operate over any particular route or routes, and the MAC is hereby authorized within reasonable limits to select the routes to be flown over or deviate from.
9. Force Majeure. MAC may cancel or delay charter flight(s) under this Agreement without being liable to pay any cancellation fee or compensation whatsoever in the event that the charter flight(s) cannot be performed or completed due to any cause beyond the control of MAC including, but not limited to, strikes, lock-out, civil commotion, war or warlike operations or imminence thereof, riots, civil war, blockade, embargo, act or omissions of governmental authorities including all civil aviation authorities, acts of God, fire, flood, fog, frost, ice, storms, epidemics, quarantine, hijacking, requisition of aircraft by Public Authorities, breakdown or accident to aircraft, or if the safety of passengers and/or property is deemed by the aircraft captain or MAC's Director of Operation to be in jeopardy (collectively, "*Force Majeure*"). In case of such cancellations MAC shall be under no obligation or liability to Client beyond refund of the agreed charter price for such cancelled flight(s), or in case of cancellation of part of a charter flight such part of the charter price relating to the cancelled part of the flight.
10. Conditions of Carriage. The present Agreement shall be subject to the provisions of the Title 14 Volume 2 Chapter 1 Subchapter G Part 135 (a.k.a. FAR Part 135) governing commercial air carriers.
11. Utilization of the aircraft. Client is not entitled to assign his rights or sublet under this Air Charter Agreement, partly or in full, without the express permission in writing of MAC. All empty leg flights stipulated in the present Agreement as well as all empty leg flights in connection with performance of the flight(s) agreed upon in this Agreement are at the exclusive disposal of MAC.
12. Acceptance of load. Client shall ensure that each passenger is in normal health, capable of undertaking the flight contemplated and that passengers are in possession of all documents enabling them to comply with all formalities and regulations both in respect of themselves and their baggage, and Client is responsible for all duties, fees and charges in this connection.
  - A. Client ensures that the passengers' baggage does not contain anything of a hazardous nature or of a nature prohibited by any country or state involved and that the passengers are not accompanied by animals of any kind. Animals may be permitted aboard only with the express permission of MAC.
  - B. If MAC is fined or has to meet expenses due to non-compliance on the part of Client, passengers or shippers with all formalities or regulations under which the air transportation is performed, Client shall indemnify MAC for all such fines, expenses and additional costs.
13. International Flights.
  - A. Cargo Liability Limitations on International Flights. In the event of an international shipment, the transportation of the cargo and MAC's liability hereunder shall be subject to the Convention for the Unification of Certain Rules Relating to International Carriage By Air signed at Montreal in May of 1999 as amended by any protocol to which the United States is a signatory (the "*Montreal Convention*"); any provision hereof contrary to the Montreal Convention shall be deemed superseded and amended by the applicable provision(s) of the Montreal Convention, but all

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remaining terms and conditions shall continue to be applicable. MAC's liability under the Montreal Convention shall be limited to the sum of 17 Special Drawing Rights ("SDR") per kilogram unless Client has made in writing, at the time when the cargo was handed over to PP, a special declaration stating the declared value of said cargo. Client may be responsible for additional fees to the extent the declared value of said cargo exceeds the limits of the Montreal Convention.

- B. Liability Limitations Regarding Passengers on International Flights. With respect to all international flights and unless otherwise expressed in this Agreement, MAC, its employees and agents who take part in the execution of this Agreement shall never be subject to any other and/or higher liability than provided for in the Montreal Convention where the Montreal Convention is applicable. MAC is limited to the following amounts: a) persons: 100,000 SDRs per person and b) baggage: 1,000 SDRs per passenger unless the passenger has made in writing, at the time when the checked baggage was handed over to MAC, a special declaration stating the declared value of said checked baggage. Client or its passenger(s) may be responsible for additional fees to the extent the declared value of said checked baggage exceeds the limits of the Montreal Convention. Client is responsible for providing information to all passengers about these limitations.
- C. Client shall indemnify MAC, its employees and agents with regard to all economical consequences of MAC, its employees and agents being charged with any other and/or higher liability than mentioned in this Section 13. This Section 13(C) shall not be effective as a limitation

of MAC's liability under the Montreal Convention.

- D. Passenger information must be provided at least 72 hours prior to departure in order to make the necessary customs and immigration arrangements. The following information is required for each passenger:
- Full Legal Name
  - Citizenship
  - Passport Number
  - Date of Birth
  - Visa Information (if applicable)

Each passenger must have a:

- Valid Passport
  - Valid Visa (if applicable)
  - Proof of Required Vaccination.
- E. You will not be permitted to board without the above required documentation. Additional information can be obtained at <http://www.state.gov>, <http://cia.state.gov>, and <http://www.cdc.gov>. MAC does not assume any financial liability associated with international charges, customs and immigration charges, and other fees or fines accountable to passenger negligence; however, we will share information obtained in our flight planning.
- F. International Fees. International flights incur charges for overflight, security, and airspace use. Some fees are based on the day and/or time of flight. The prices quoted are based on the scheduled flight time and in rare instances they can change. We will do our best to keep you informed of these fees; however, this does not relinquish your responsibility for all international fees.

14. TSA and Passenger Security. Federal regulations require the positive identification of each passenger and a security check with the Transportation

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Security Agency (TSA). For each passenger, we request the name, identification type (e.g., driver's license number and state of issuance) be provided at least 24 hours prior to departure. Any changes to the passenger list should be provided as soon as possible. Indicate the leg that each passenger will fly. At the time of boarding, each passenger will be required to present a photo ID for positive identification. Providing passenger information late may result in delays.

15. Law, Jurisdiction, Legal Fees, Illegality and Execution. This charter shall be governed by the laws of the state of New Jersey, and any dispute arising out of or in connection with this charter and/or the transportation of the cargo hereunder shall be brought in state or federal court located in New Jersey, with the substantially prevailing party to recover its reasonable legal fees and costs. The illegality or non-validity of any paragraph, clause or provision contained or referred to in this Agreement

shall not affect or invalidate any other paragraph or provision hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be original, and all of which together shall constitute one and the same Agreement. A signature delivered by facsimile shall be deemed to be an original signature and shall be effective upon receipt thereof by the other party.

16. Integration and Headings. This document, the air waybill and any agreed attachments hereto constitute the entire agreement between the parties with respect to the transportation of the cargo, superseding and negating all prior or contemporaneous agreements, written and oral. This agreement may not be modified or amended except by a writing signed by both parties. The headings used herein are for convenience only, are not substantive and may not be used to interpret the agreement between the parties.

