

Red Hot Cargo Terms and Conditions

Rev. 10/11/2013

1. **Applicability.** These Terms and Conditions govern arrangement of air cargo transportation services by Red Hot Cargo on behalf of the customer as well as any other entity with an interest in the goods. Customer acknowledges and agrees that it is authorized to arrange for the services to be provided by Red Hot Cargo hereunder. Upon acceptance, Red Hot Cargo agrees to arrange transportation services with due diligence, but does not guarantee any speed, route, departure or arrival time, or date. Red Hot Cargo may terminate this Agreement without notice if Customer is in breach hereof.

2. **Procurement Services.** Red Hot Cargo performs procurement services under this agreement as solely a transportation arranger, and not as an air carrier. Red Hot Cargo's acceptance of or performance of its obligations under this Agreement shall not subject Red Hot Cargo to any liabilities of the Aircraft Operator.

Red Hot Cargo shall arrange, directly or indirectly, for the provision of the Aircraft from the Aircraft Operator for Customer's use.

3. **Quoted Price.** All fuel, crew salary, crew expense, and aircraft maintenance fees are included in the Quoted Price. All other expenses, charges and costs, including, without limitation, wait time, de-icing, transportation taxes, fuel surcharges, 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 Red Hot Cargo 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, any layover or detention charges assessed by the Aircraft Operator will be the responsibility of Customer.

4. **Payment.** Customer will deliver the cargo properly prepared, labeled, securely packaged, loaded, and ready for transportation by aircraft. All charges owed by Customer must be paid in advance, although Red Hot Cargo 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 Red Hot Cargo all amounts owed in U.S. currency without offset and in the manner and within the time specified. In no event will any amounts paid hereunder be deemed a deposit or refundable. If cancellation, wait time, or any other charges are imposed by the Aircraft Operator, Customer shall be solely responsible therefore. If charges arise subsequent to payment by Customer, which charges are advanced by Red Hot Cargo, Customer will immediately reimburse Red Hot Cargo such amounts upon demand. Red Hot Cargo 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 1-½ % 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. The entire Charter Price shall be deemed to be earned at the time the aircraft is dispatched to the origin location to make pick-up. No set-off, delay or counterclaim (whether arising in respect of this Agreement or otherwise) shall entitle Customer to withhold the Charter Price or any other sums payable or reimbursable to Red Hot Cargo and/or Aircraft Operator under or by reason of this Agreement. Customer shall pay for or reimburse Red Hot Cargo for its costs related to any efforts to collect amounts due hereunder, including, but not limited to, legal fees and collection costs.

5. **Obligations of Customer.** Prior to loading, Customer shall provide Red Hot Cargo or the Aircraft Operator 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 shall be deemed to have warranted the completeness and accuracy of this information and to have agreed that neither Red Hot Cargo nor the Aircraft Operator shall be responsible for checking or confirming the completeness and accuracy of this information and to have agreed that Red Hot Cargo and Aircraft Operator 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 Red Hot Cargo or the Aircraft Operator 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, Red Hot Cargo and the Aircraft Operator. CUSTOMER HEREBY DECLARES THAT ALL OF THE APPLICABLE AIR TRANSPORT REQUIREMENTS APPLICABLE TO SUCH SHIPMENTS HAVE BEEN MET.

6. **Air Waybill.** The contract of transportation shall be directly between Customer and the Aircraft Operator and will be subject to the terms and conditions set forth in the Aircraft Operator's air waybill, if not otherwise superseded by an agreement between Customer and the Aircraft Operator.

7. Loss and Damage Claims. (a) Red Hot Cargo does not assume liability for any cargo loss or damage with respect to any shipment serviced by it hereunder, except as otherwise provided in this section. Red Hot Cargo shall only be liable for cargo loss and damage occurring while such cargo is in the custody of Red Hot Cargo for loading, unloading, storage or delivery and only to the extent caused solely by acts or omissions of Red Hot Cargo. In the event Red Hot Cargo is liable for cargo loss or damage on any basis whatsoever, Customer agrees that Red Hot Cargo's liability, if any, shall be limited to the same extent as the underlying Aircraft Operator's or, if the Customer has declared excess value, then the amount that the Aircraft Operator would have been liable for but for such declared value. IN NO EVENT SHALL Red Hot Cargo BE LIABLE TO CUSTOMER FOR DELAY DAMAGES, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES. (b) Aircraft Operator liability is governed by the transportation contract entered into between Customer and the Aircraft Operator (e.g., the air waybill). Aircraft Operators limit their liability. When notified by Customer in writing at least 72 hours prior to scheduled pick-up of the Shipment of Customer's request for higher levels of carrier liability than those accepted by the Aircraft Operator, Red Hot Cargo shall make commercially reasonable efforts to secure higher levels of carrier liability for Customer. (c) In the event of any loss of or damage to a Customer Shipment serviced hereunder, Customer may pursue all such claims ("Transportation Claims") directly against the applicable Aircraft Operator, or Customer may submit Transportation Claims to Red Hot Cargo for processing with the applicable Aircraft Operator. In no event will Red Hot Cargo be liable for expiration of any claim filing deadline with respect to any claim tendered by Customer for filing by Red Hot Cargo. Red Hot Cargo shall invoice Customer a \$50 processing fee for all Transportation Claims filed by Red Hot Cargo. If Customer wishes for Red Hot Cargo to file a Transportation Claim on its behalf, it must provide this claim to Red Hot Cargo no later than seven (7) days after receipt of the cargo for which the damage claim is made. Upon receipt from Customer of notice of a claim and all other information required to process a Transportation Claim, Red Hot Cargo shall file such Transportation Claim on behalf of Customer with the applicable carrier. Red Hot Cargo assumes no liability in respect of any such Transportation Claim and provides no guarantees as to a settlement or disposition of any such Transportation Claim. In the rare event that Red Hot Cargo is liable to Customer for a cargo claim as set forth above, Customer shall file a proper claim for loss, damage, or delay to a Shipment in writing or by Fax in writing with Red Hot Cargo's designated cargo claims office within twenty-one (21) days from date of delivery (or when reasonable time has lapsed for delivery for non-delivery). Lawsuits involving Shipments, if any, shall be filed within one (1) year and one (1) day from the date of delivery.

8. Force Majeure. Neither Red Hot Cargo nor Carrier shall be liable for any delay in the performance of their 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 their reasonable control.

9. 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.