

CONTRACT OF CARRIAGE CONTAINING RULES, REGULATIONS, AND CHARGES APPLICABLE TO THE CARRIAGE OF PETS BY PET AIRWAYS

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TABLE OF CONTENTS

1. DEFINITIONS
2. SHIPMENT DESCRIPTION
3. MAXIMUM WEIGHT
4. MAXIMUM DIMENSIONS
5. MARKING REQUIREMENTS
6. SPECIAL ARRANGEMENTS
7. UNACCEPTABLE SHIPMENTS
8. CONDITIONAL ACCEPTANCE OF SHIPMENTS
9. INSPECTION OF SHIPMENTS
10. AIRBILL AND SHIPPING DOCUMENTS
11. DECLARED VALUE OF SHIPMENTS
12. ROUTING
13. PAYMENT/CALCULATION OF RATES AND CHARGES
14. SCHEDULES, DELAYS AND CANCELLATIONS OF FLIGHT AND LIABILITY
15. AVAILABILITY OF EQUIPMENT AND SPACE/LOSS OF RESERVATION
16. LIMITATION OF LIABILITY
17. EXCLUSION FROM LIABILITY
18. INDEMNIFICATION
19. LIABILITY FOR RATES AND CHARGES
20. CARRIER'S LIEN
21. NOTICE AND DISPOSITION OF PROPERTY
22. TENDER AND PICK-UP OF SHIPMENTS
23. CLAIM PROCEDURE
24. ACCESSORIAL SERVICES - STORAGE
25. ASSIGNMENT OF CLAIM/SUBROGATION
26. APPLICABLE RATES AND CHARGES

APPLICATION OF CONTRACT OF CARRIAGE

All capitalized terms used herein shall have the meaning as expressly defined herein, except for the names of people, places and other proper nouns, which shall have their usually understood meaning. Unless otherwise stated herein, all references herein to Articles, Sections, Paragraphs, Exhibits and Attachments shall refer to those herein.

The rules, regulations, and charges published in this Contract of Carriage apply only to the carriage of Pets by Pet Airways.

Except as otherwise expressly provided in this Contract of Carriage, all Shipments are

acceptable for carriage only when Shipper and Consignee comply in all respects with any applicable rules and regulations of this Contract of Carriage, and all laws, ordinances, and other governmental rules and regulations governing the carriage of such shipments.

No agent, servant, or representative of Carrier has authority to alter, modify, or waive any provision of this Contract of Carriage unless authorized by a corporate officer of Carrier.

In the event any provision of this Contract of Carriage or the application thereof to any person or circumstance is held invalid, all remaining provisions and their applicability to any person or circumstance shall not be affected thereby.

1. DEFINITIONS

Unless otherwise specifically indicated, the following definitions shall apply:

Pet – Any domesticated dog, cat or other animal intended for transport by Pet Airways.

Advance Arrangements - Advance Arrangements shall mean that Shipper shall contact Carrier prior to tender of a Shipment in order to determine the acceptability of the Shipment, to enable Shipper and Carrier to establish the time and place of tender, and to enable Shipper and/or Carrier to make special arrangements for the Shipment, if necessary.

Airbill - Airbill shall mean the non-negotiable shipping document issued by Carrier upon tender of Shipment to Carrier.

AIR FREIGHT - AIR FREIGHT shall mean cargo service provided on a space available basis, airport-to-airport. Although Carrier will attempt to carry Shipments on the next available flight, AIR FREIGHT is not a flight-specific cargo service.

Carrier - Carrier shall mean Pet Airways, its officers, directors, employees, agents, representatives and servants acting within the scope of their employment.

Computation of Days - in computing time in days, full calendar days shall be used, including Sundays and Legal Holidays except when in the computation of days, the last day falls on a Sunday or Legal Holiday, in which event the next following calendar day (other than a Sunday or Legal Holiday) shall be included.

Consignee - Consignee shall mean that entity (including but not limited to individuals and corporations, whose name appears on the Airbill as the entity to whom the Shipment is to be delivered by Carrier.

Legal Holiday - Legal Holiday shall mean any U.S. national, state, provincial or local legal holiday.

Shipment - Shipment shall mean a single consignment of one or more animals from one Shipper at one time at one address, receipted for in one lot and moving on one Airbill, to one Consignee at one destination airport.

Shipper - Shipper shall mean the entity (including but not limited to individuals and

corporations) whose name appears on the Airbill as the entity contracting with Carrier for the carriage of the Shipment.

Tender - Tender shall occur when Shipper presents a properly labeled and packaged Shipment to Carrier for acceptance after the Airbill has been completed and all shipping charges have been paid.

2. SHIPMENT DESCRIPTION

(A) The contents of Shipments must be indicated by accurate and specific description on the Airbill.

(B) The exact number of animals included in a Shipment must be specified on the Airbill.

3. MAXIMUM WEIGHT

The maximum weight of any single piece contained in any Shipment shall not exceed 125 pounds. Shipments in excess of 125 pounds shall be subject to an Advance Arrangements.

4. MAXIMUM DIMENSIONS

Shipments that are larger than the standard Giant pet carriers (40"L X 27"W X 30"H) are subject to Advance Arrangements.

5. MARKING REQUIREMENTS

Each piece of any Shipment must be legibly and durably marked with the name and address of Shipper and Consignee.

6. SPECIAL ARRANGEMENTS

The following shipments shall be acceptable for carriage by Carrier upon Special Arrangements:

(A) Shipments requiring special medical attention, protection, or care en route beyond standard care provided.

(B) Shipments containing any single piece weighing in excess of 120 pounds.

(C) Shipments that are larger than the standard Giant pet carriers (40"L X 27"W X 30"H).

(D) Shipments of Pets with past aggressive behavior.

7. UNACCEPTABLE SHIPMENT

Shipments unacceptable for carriage shall include but not be limited to the following:

(A) Shipments likely to damage Carrier's equipment or other Shipments;

(B) Shipments of puppies or kittens less than 8 weeks old or less than 1 week from being weaned;

(C) Shipments of pregnant animals within 4 weeks of scheduled delivery;

(D) Shipments of any Pet in poor health or otherwise unsuitable for air travel; and/or

(E) Shipments of any Pet whereby the Pet is heavier or taller than the size of the Pet as indicated by the Shipper when making a reservation.

8. CONDITIONAL ACCEPTANCE OF SHIPMENTS

Carrier reserves the right at its sole discretion to reject or revoke acceptance of any Shipment prior to carriage from the origination airport, and to remove such Shipment at any point en route between origin and destination, when it reasonably appears to Carrier that such Shipment is:

(A) Obviously ill or agitated such that the Shipment cannot be carried without risk of loss, damage or injury to the Shipment, to Carrier's equipment, or to Carrier. In the event that Pet is removed from continuing on a flight, Pet Airways reserves the right to seek medical attention and or a boarding facility for the pet, which cost will be borne by Shipper, and paid prior to the release of pet.

(B) Not accompanied by proper documentation as required by any convention, statute or tariff applicable to such Shipments;

(C) Subject to Advance Arrangements, unless such Advance Arrangements have been undertaken;

(D) Tendered by a Shipper who refuses to provide personal identification upon request by Carrier;

(E) Of a nature requiring Carrier to obtain a federal, state, or local license;

(F) Of a nature requiring special devices for safe handling, and if accepted by Carrier at its sole discretion, the special devices required shall be provided and operated by Shipper or Consignee at their own risk; and/or

(G) Heavier or taller than the size of the Pet as indicated by the Shipper when making a reservation.

9. INSPECTION OF SHIPMENTS

(A) Shipments shall be subject to inspection by Carrier to determine acceptability and suitability for carriage by Carrier, and to assess proper charges therefor.

(B) Carrier shall not allow inspection of a Shipment by Consignee until all carriage charges have been paid, Consignee has signed the Airbill, and Consignee has taken possession of the Shipment.

10. AIRBILL AND SHIPPING DOCUMENTS

(A) Shipper is required to prepare and present an Airbill with each Shipment tendered for carriage subject to this Contract of Carriage. Carrier shall not be responsible for improperly completed airbills. Each Shipment shall be subject to Carrier's Contract of Carriage in effect on the date of acceptance of such Shipment by Carrier.

(B) The Airbill and the Contract of Carriage applicable to the Shipment tendered shall accrue to the benefit of, and be binding upon, Shipper and Consignee, and Carrier by

whom carriage is undertaken between the origin and destination, including destination on reconsignment or return of the Shipment.

(C) A Shipment carried for the U. S. government (excluding Shipments paid for by Government Transportation Request - G.T.R.) must be accompanied by, in addition to the Airbill, a Government Bill of Lading with the proper number of copies properly executed.

11. DECLARED VALUE OF SHIPMENTS

(A) Shipments shall be deemed to have a declared value of not more than \$500 unless excess value is declared on the Airbill at the time the Shipment is tendered to Carrier.

(B) Shipper may declare excess value for any Shipment, in which case insurance is available and must be paid for prior to shipment. When any Shipment consists of two (2) or more animals, the declared value for each animal shall be determined independently and declared on the Airbill.

12. ROUTING

(A) Carrier, in its sole discretion, shall determine the routing of Shipments.

(B) Carrier, in its sole discretion, reserves the right to deviate from any route indicated on an Airbill, and to forward, and expedite or deliver any Shipment, via any air carrier or other transportation mode at the rate prescribed by such carrier; provided that when either of the foregoing rights are exercised, carriage rates and charges shall be no greater than the rates and charges from origin to destination via the route indicated on the Airbill.

13. PAYMENT/CALCULATION OF RATES AND CHARGES

(A) Charges for carriage of any Shipment shall be based upon the size of the pet carrier and the weight of the pet.

(B) Payment of Charges

(i) Rates and charges published in this Contract of Carriage are in U.S. Dollars.

(ii) All charges are payable by MasterCard or Visa.

(iii) Proper identification is required for all transactions.

(iv) No Shipment shall be released by Carrier to Consignee until all carriage charges for such Shipment have been paid.

14. SCHEDULES, DELAYS AND CANCELLATIONS OF FLIGHT AND LIABILITY

(A) Carrier shall attempt to carry Shipments with due diligence, but flight schedules are subject to change without prior notice, and the times shown in Carrier's flight schedules, tickets and advertising are not guaranteed. Carrier may substitute aircraft, and may change, add or omit intermediate stops, and delay or cancel flights without prior notice.

(B) Carrier may, without prior notice, more than 25 days before the scheduled departure time of the flight, cancel, terminate, divert, postpone, advance or delay any flight without any liability of any kind to the Shipper or Consignee and any other person having any interest in the flight, or may cancel at any time because of any fact beyond Carrier's control (including, but not limited to, Force Majeure such as meteorological conditions, acts of God, strikes, riots, civil commotions, embargoes, airport slot limitations, wars,

hostilities, disturbances or unstable international relations) whether actual, threatened or reported or because of any delay, demand, condition, circumstances or requirement directly or indirectly relating to such fact; because of any fact not to be foreseen, anticipated or predicted; because of any Applicable Laws; because of shortage of labor, fuel or facilities or labor problems of Carrier or others; because of mechanical or operational difficulties related to the safety of the aircraft; or because total Number of reservations does not exceed a fixed number as provided by Carrier. In the event of such cancellation before the commencement of such flight, Carrier shall refund the sum deducting charges and expenses actually incurred by Carrier for such flight from the ticket price and other charges and expenses collected. In the event of such termination after the commencement of the flight, the price and other charges and expenses for the transportation performed shall be calculated in accordance with Article 16 and the difference will be refunded.

15. AVAILABILITY OF EQUIPMENT AND SPACE/LOSS OF RESERVATION

(A) Carrier undertakes to transport, consistent with its capacity to carry all Shipments accepted for carriage. All Shipments are subject to availability of suitable equipment. Carrier shall determine the priority of carriage as between Shipments, which Shipments shall not be carried on a particular flight, which Shipments shall be removed at any time or place and when a flight shall proceed without all or any part of any Shipment.

(B) Any Shipment shall be subject to refusal, delay by Carrier, if such Shipment cannot be carried with reasonable dispatch by reason of any governmental rules, regulations, or orders, or because of unavailability of suitable equipment, or because of other conditions beyond Carrier's control.

(C) When you click "checkout" while making your reservation on PetAirways.com, you are warranting, representing and confirming that your pet is NOT LARGER either in weight or height (as measured from the floor to the top of the head) than the size you indicated when making your reservation. If your Pet is larger than the seat reserved, the correct size seat may not be available. If, on the day of the flight, the correct (larger) seat is not available, Pet Airways reserves the right to cancel your reservation and refuse your Pet on that flight, and no refund will be given.

16. LIMITATION OF LIABILITY

(A) The liability, if any, of Carrier for loss, damage or delay of any Shipment or part thereof, in addition to the guarantees as set forth in Sections 28 & 29 below, is limited to the reasonable amount of actual damages, but in no event shall be greater than the declared value of the Shipment determined in accordance with Section 11, provided Shipper has exercised reasonable effort to mitigate damages. In no event shall Carrier be liable for consequential or special damages. Reimbursement for lost or damaged Shipments shall be determined by the documented original purchase price of the Shipment.

(B) By tendering a Shipment to Carrier for carriage, Shipper, for himself, and on behalf of all other parties having an interest in the Shipment, waives all claims for damages beyond the limitations set forth in this Contract of Carriage, and affirms that the description of the Shipment as set forth on the Airbill is complete, true and correct, and that the Shipment is not of a nature unsuitable for carriage by air or hazardous thereto.

17. EXCLUSION FROM LIABILITY

(A) Carrier shall not be liable for any loss, damage or delay in delivery of any Shipment nor any death of or injury to any Pet, or portion thereof caused by:

(i) Acts of God, public enemies, public authorities acting with actual or apparent authority, perils of the air, authority of law, quarantine, riots, strikes, civil commotion or hazards, or dangers incident to a state of war.

(ii) Acts or omissions of Shipper or Consignee.

(iii) The nature of the Shipment, or any defect, characteristic or inherent vice thereof.

(iv) Violation by Shipper, Consignee, or any party claiming an interest in the Shipment of any of the provisions contained in this Contract of Carriage, including, but not limited to, improper securing, marking, or addressing, and failure to observe any of the provisions relating to Shipments that are not acceptable or Shipments that are conditionally accepted.

(v) Acts or omissions of warehousemen, customs, or quarantine officials, or persons other than Carrier gaining lawful or unlawful possession of the Shipment.

(vi) Compliance with delivery instructions of Shipper or Consignee, or non-compliance with special instructions of Shipper or Consignee not authorized by Contracts of Carriage.

(vii) Failure to provide notification upon arrival of Shipment.

(B) Carrier shall not be liable for any loss, damage, deterioration, destruction, theft, pilferage, delay, default, misdelivery, non-delivery, or any other result not caused by, and the sole result of, the actual negligence of Carrier. For purposes of this paragraph, any agent, employee or representative of any other airline or service organization shall not be construed to be the agent, employee or representative of Carrier.

(C) Carrier shall not be liable in any event for any consequential or special damage arising from carriage of Shipments subject to this Contract of Carriage, whether or not Carrier had knowledge that such damage might result and whether or not such damage may have been foreseeable.

(D) Carrier shall not be liable for any loss, damage, death, injury, or delay to any Shipment that is inadequately described or mis-described on the Airbill nor shall Carrier be liable for any death of or injury to any Pet due wholly or partially to the poor or otherwise ill health of the Pet, regardless if Carrier was, or by reasonable inspection could have been, aware of health issues with the Pet.

(E) Carrier shall not be liable for any loss, damage or delay in delivery of any Shipment whose contents are not specifically described on the Airbill or which are otherwise shipped without the actual knowledge and consent of Carrier; provided however, that Carrier shall not have any liability with respect to any Shipment listed in Section 7 as not acceptable, whether or not such Shipment is described on the Airbill or otherwise shipped with Carrier's knowledge and consent.

(F) Carrier shall not be liable for any loss, damage or delay in delivery of any Shipment, nor the death of or injury to any Pet, which is covered by any valid and collectible policy of insurance.

18. INDEMNIFICATION

Shipper and Consignee shall be jointly and severally liable, to indemnify and hold harmless Carrier for and against all claims, fines, penalties, damages, cost, expenses, attorney's fees or other costs incurred, suffered, or paid by Carrier as a result of any violation by Shipper or Consignee of any of the provisions contained in this Contract of Carriage, or any other default of Shipper or Consignee with respect to any Shipment.

19. LIABILITY FOR RATES AND CHARGES

Shipper and Consignee shall be liable, jointly and severally, for all unpaid charges, declared or undeclared, payable on account of any Shipment pursuant to this Contract of Carriage including, but not limited to, sums advanced or paid by Carrier on account of such Shipment.

20. CARRIER'S LIEN

Carrier shall have a lien against Shipments for all charges due and payable to Carrier for carriage of such Shipments pursuant to Section 19 herein.

21. NOTICE AND DISPOSITION OF PROPERTY

(A) When a Shipment is delayed in the possession of Carrier, or is unclaimed, refused, or threatened with deterioration, Carrier shall have the right to take such action as it deems reasonably necessary for the protection of Carrier and other parties-in-interest, including the sale or other disposition of such Shipments, absent instructions of Shipper to the contrary.

(B) When a Shipment remains unclaimed or is refused, Carrier shall have the right to hold the Shipment subject to storage (as provided in Section 24) and to dispose of the Shipment at public or private sale or animal adoption agency at any time following the expiration of thirty (30) days following written notice to Shipper or Consignee at the address indicated on the Airbill.

(C) In the event of non-payment of any sums payable to Carrier pursuant to this Contract of Carriage, Carrier shall have the right to hold the Shipment subject to storage (as provided in Section 24) and to dispose of the Shipment, at public or private sale, or animal adoption agency without notice to Shipper or Consignee, paying itself out of the proceeds of such sale all sums due and payable, including any applicable storage charges.

(D) No sale or disposal pursuant to this Section 21 shall discharge any liability or lien to any greater extent than the proceeds thereof, less selling expenses, if any, and Shipper and Consignee shall remain jointly and severally liable for any deficiency.

22. TENDER AND PICK-UP OF SHIPMENTS

All Shipments shall be tendered by Shipper to Carrier at Carrier's check-in facility at the origination location. All Shipments shall be available for pick-up by Consignee at Carrier's check-in at the destination location.

23. CLAIM PROCEDURE

(A) All Claims, except for concealed loss or damage not discoverable upon reasonable inspection, must be given in writing to Carrier immediately upon receipt of the Shipment; or, in the case of failure to deliver, then within 120 days following the date of acceptance by Carrier.

(B) Claims for concealed loss or damage not discoverable upon reasonable inspection must be reported in writing to Carrier within 24 hours after delivery of the Shipment. In such case, Carrier reserves the right to inspect the Shipment prior to honoring the claim.

(C) No claim for loss of or damage to any Shipment shall be honored until all carriage charges for such Shipment have been paid. The amount claimed may not be deducted from carriage charges.

(D) Carrier shall not be liable in any action brought to enforce any claim unless all provisions of this Contract of Carriage have been complied with by claimant in all respects, and unless such action is brought within one (1) year after the date written notice is given to claimant that Carrier has disallowed the claim in whole or in part.

(E) Failure to provide notice within the time limits specified herein shall not bar any claim if claimant can show good cause why the loss or damage was not discovered earlier and timely notice given.

24. ACCESSORIAL SERVICES – STORAGE

(A) No Shipments shall be stored by Carrier without prior arrangement before departure or after arrival and subject to fees for the PAWS Lodge. Fees shall be computed from 8:00 a.m. the morning prior to departure at origination and/or from 4 p.m. in the afternoon following the arrival at the destination.

(B) Shipments at destination that must be stored by Carrier due to Shipper's failure to pick up Shipment will be subject to the published fees of the PAWS Lodge.

(C) The provisions contained in Section 20 (Carrier's Lien) shall apply to all Shipments that are stored pursuant to this Section 24.

25. ASSIGNMENT OF CLAIM/SUBROGATION

In the event Carrier is liable to Shipper for any claim, upon discharge of such liability, Carrier shall be subrogated to any rights Shipper, Consignee or any other party with an interest in the Shipment may have to proceed against any other person or party who is, or may be, liable.

Shipper hereby expressly assigns such rights to Carrier, which rights shall include, but not be limited to, the right to make claim against any insurance policy that may have provided coverage for the liability to Shipper.

26. APPLICABLE RATES AND CHARGES

Rates and charges applicable to any service provided by Carrier within any of the following geographic zones or between any of the following geographic zones shall be determined in accordance with Carrier's rates and charges applicable to such service in effect at the time Shipment is tendered to Carrier. All rates are subject to any applicable federal tax.

