

AIRCRAFT FINANCE/LEASE CONTRACT -
CONTINUING LIABILITY ENDORSEMENT

It is noted that the Contract Party(ies) had an interest or interests in respect of the Equipment under the Contract(s) when the Equipment was being operated by the Insured pursuant to the Contract(s). Accordingly, in respect of the said interest(s) of the Contract Party(ies), with respect to losses occurring during the period from the Effective Date until (i) the date and time at which the Insurance expires or, if earlier, (ii) the date and time at which the Insured has no further obligation to insure the said interest(s) of the Contract Party(ies), as notified by the Designated Contract Party to the Insurers (via the Appointed Broker, if any) (such notification to be given promptly and in any event within 30 days after such date), and in consideration of the Additional Premium, it is confirmed that, as required by the Contract(s), the Legal Liability Insurance afforded by the Policy is in full force and effect, and it is further agreed that the following provisions are specifically endorsed to the Legal Liability Insurance section of the Policy:-

1. The Contract Party(ies) are included as Additional Insured(s).
2. Subject to the provisions of this Endorsement, the Insurance shall operate in all respects as if a separate Policy had been issued covering each party insured hereunder. Notwithstanding the foregoing the total liability of Insurers in respect of any and all Insureds shall not exceed the limits of liability stated in the Policy.
3. The Insurance provided hereunder shall be primary and without right of contribution from any other insurance which may be available to the Contract Party(ies).
4. This Endorsement does not provide coverage for any Contract Party with respect to claims arising out of its legal liability as manufacturer of, or performer of maintenance, repairs or other operational activities on, the Equipment.
5. The coverage afforded by the Policy is amended by this Endorsement to provide coverage in respect of the liability of the Contract Party(ies) to the pilots and crew of the Equipment (excluding liability to those pilots and crew employed by the Contract Party(ies)), on the basis that for the purposes of providing such coverage under this Endorsement, such pilots and crew shall be deemed to be passengers.
6. The cover afforded to each Contract Party by the Policy in accordance with this Endorsement shall not be invalidated by any act or omission (including misrepresentation and non-disclosure) of any other person or party which results in a breach of any term, condition or warranty of the Policy PROVIDED THAT the Contract Party so protected has not caused, contributed to or knowingly condoned the said act or omission.

7. The provisions of this Endorsement apply to each Contract Party solely in its capacity as former financier, former lessor or former lease servicer or manager under the Contract(s), and not in any other capacity. Knowledge that any Contract Party may have or acquire or actions that it may take or fail to take in that other capacity (pursuant to any other contract or otherwise) shall not be considered as invalidating the cover afforded by this Endorsement. For this purpose "lease servicer or manager" means a Contract Party who is appointed by one or more other Contract Party(ies) to provide services relating to the Equipment in connection with the Contract(s) (other than services of a kind specified in paragraph 4 above).
8. The Contract Party(ies) shall have no responsibility for premium, and Insurers shall waive any right of set-off or counterclaim against the Contract Party(ies).
9. Upon payment of any loss or claim to or on behalf of any Contract Party(ies), Insurers shall to the extent and in respect of such payment be thereupon subrogated to all legal and equitable rights of the Contract Party(ies) indemnified hereby (but not against any Contract Party). Insurers shall not exercise such rights without the consent of those indemnified, such consent not to be unreasonably withheld. At the expense of Insurers such Contract Party(ies) shall do all things reasonably necessary to assist the Insurers to exercise said rights.
10. Except in respect of any provision for Cancellation or Automatic Termination specified in the Policy or any endorsement thereof, cover provided by this Endorsement may only be cancelled or materially altered in a manner adverse to the Contract Party(ies) by the Insurers giving not less than thirty (30) days' notice in writing to the Contract Party(ies) (via the Appointed Broker, if any). Notice shall be deemed to commence from the date such notice is given by the Insurers. Such notice will NOT, however, be given at normal expiry date of the Policy or any endorsement.

EXCEPT AS SPECIFICALLY VARIED OR PROVIDED BY THE TERMS OF THIS ENDORSEMENT:-

1. THE CONTRACT PARTY(IES) ARE COVERED BY THE POLICY SUBJECT TO ALL TERMS, CONDITIONS, LIMITATIONS, WARRANTIES, EXCLUSIONS AND CANCELLATION PROVISIONS THEREOF.
2. THE POLICY SHALL NOT BE VARIED BY ANY PROVISIONS CONTAINED IN THE CONTRACT(S) WHICH PURPORT TO SERVE AS AN ENDORSEMENT OR AMENDMENT TO THE POLICY.

SCHEDULE IDENTIFYING TERMS USED IN THIS ENDORSEMENT

1. Equipment¹:

 2. Contract Party(ies):
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¹ Specify details of any aircraft, engines or spares to be covered.

3. Designated Contract Party:

4. Contract(s):

and references in this Endorsement to "the Contract(s)" mean the contract(s) listed above, as amended or supplemented from time to time.

5. Effective Date²:

6. Appointed Broker:

7. Additional Premium:

AVN 99 2.08.07

In common with all AICG produced AVN Clauses, this Clause is published by AICG, but it is expressly non-binding and AICG makes no recommendation as to its use in particular policies. Insurers are of course free to offer different policy wordings and clauses to their policy holders.

² Insert effective date of continuing liability coverage. This will normally be either (i) the date on which the corresponding AVN67C cover for the Equipment terminates for the particular Contract Party(ies), in the case of tail cover commencing midway through a policy year, or (ii) the policy renewal date, in case of subsequent renewal. Note that AVN67C and the present tail cover endorsement should never both be in force concurrently.