

POLICY NO.: 20-090-005-1004746

WE, THE COMPANY, HEREBY AGREE, IN CONSIDERATION OF PAYMENT TO US BY OR ON BEHALF OF THE ASSURED OF THE PREMIUM SPECIFIED IN THE ENDORSEMENT, TO INSURE AGAINST LOSS, DAMAGE, LIABILITY OR EXPENSE IN THE MANNER AS SHOWN IN THE SCHEDULE.

TYPE : Aviation Hull and Liability Insurance.

INSURED : **SKY TREK HOT AIR BALLOON** and/or **AMIR SHEMER** and/or **DROR GINAT** for their respective rights and interests, as original.

PERIOD : From: 21 May 2020
To: 20 May 2021

Both days Local Standard Time at the Insured's address stated above.

INTEREST : To indemnify the insured as follows:

Section 1: Hull

Accidental loss of or damage to the Balloons as per the Schedule attached.

Section 2: Liabilities

The Insured's Legal Liability for Third Party Liability (Bodily Injury/Property Damage), including Bodily Injury to Passengers, in respect of all aircrafts owned, operated or used by the Insured, as detailed in the Schedule of Aircraft including Legal Liability and Premises, Hangar keepers and Product Legal Liability

In respect of hot air balloons, cover is limited to accidents occurring when balloons are in flight with an extension to inflating operations (the start-up of the fan) and deflating operations.

Section 3:

War, Terrorism and Allied Perils Only.

Sky Trek Hot Air Balloons - Aviation H+L Policy 21.5.20.doc

LIMITS OF
LIABILITY :

Section 1: Hull

Agreed values as per Schedule, subject to a maximum value of USD 20,000.00 (or currency equivalent) any one aircraft.

Section 2: Liabilities

Third Party Liability: USD 4,000,000 any one accident
Occupant Liability: USD 250,000 any one occupant

Premises , Hangarkeeper
And Product Legal
Liability: USD 1,000,000 any one occurrence

Section 3:

The limit shown in Section 2 above applies, except that within such limit Third Party Liability is limited to USD 4,000,000 any one accident and in the annual aggregate except with respect to passengers to whom the full policy limit shall apply.

TERRITORIAL LIMITS:

Anywhere in Israel.

DEDUCTIBLES :

Section 1: Hull

USD 800.00 each and every loss

Section 2: Liabilities

USD 800.00 each and every loss.

Premises Liability

USD 15,000,00 in respect of property damage and
USD 25,000,00 in respect of damage to aircraft

Section 3:

USD 800.00 each and every loss.

In the event of an Accident arising hereon involving the application of more than one deductible then the highest applicable deductible shall be applied as an aggregate deductible for all losses arising out of that Accident.

CONDITIONS

- London Aircraft Insurance Policy AVN1C 21.12.98
- LSW 2488 Asbestos Exclusion Clause.
- AVN48B War Hi-jacking and Other Perils Exclusion Clause - (Aviation).
- AVN46B Noise and Pollution and Other Perils Exclusion Clause
- AVN38B Nuclear Risks Exclusion Clause.

CONDITIONS Continued
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- AVN72 Contracts (Rights of Third Parties) Act 1999 Exclusion Clause.
- AVN52E Extended Coverage Endorsement.
- AVN2000A Date Recognition Exclusion Clause.
- AVN2001A Date Recognition Limited Coverage Clause.
- AVN 111 Sanctions & Embargo Clause
- AVN124 Data Event Clause

EXCLUSIONS :

- Carriage of External Loads (banners and/or flight bag(s) and/or safety equipment are not defined as external loads).
- Flights for the specific purpose of breaking records.
- Intentional flights over the sea. Sea is defined as the area beyond where Land Mass to Land Mass exceeds 5 miles.

CHOICE OF LAW &
JURISDICTION :

Law

In the event of any dispute or disagreement this contract shall be construed by both the Insured and the Insurers subject to Israeli Law.

Jurisdiction

Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within Israel and to comply with all requirements to give such court jurisdiction.

All matters arising hereunder shall be determined in accordance with the law and practice of such court.

PREMIUM :

As detailed in Debit Note

PAYMENT TERMS :

Ten (10) equal, consecutive monthly instalments by credit card, from Inception.

INFORMATION :

The following Information was provided to insurer(s) to support the assessment of the risk at the time of underwriting.

Pilots Experience/Hours Flown / Loss Record:

Shai Sakal 1,500 flight hours
Dror Ginat 1,300 flight hours
Amir Shemer 1,100 flight hours
Shai Nir 500 flight hours*

*Shai Nir is the pilot that will fly 4X-BLE in Sde Boker, Southern Israel and whilst not in proximity to 4X-BLJ both balloons could be in the air at any one time.

SCHEDULE:

Make & Model	Registration	Agreed Value	Passengers	MAUW
Aerostar International Inc S-60A	4X-BLJ	N/A	2	1,800 kg
Ultramagic N300	4X-BNP	USD 20,000	16	2,924 kg
Cameron Z-250	4X-BNL	N/A	12	2,494 kg

**The Phoenix Insurance Company Ltd.
Marine & Aviation Department**

Data Event Clause

This Policy does not cover any loss, damage, expense or liability arising out of a Data Event.

Data Event means any access to, inability to access, loss of, loss of use of, damage to, corruption of, alteration to or disclosure of Data.

Data means any information, text, figures, voice, images or any machine readable data, software or programs including any person's or organisation's confidential, proprietary or personal information.

This exclusion does not apply to:

1. physical loss of or physical damage to an aircraft or spares and equipment; and/or
2. bodily injury and/or property damage caused by an aircraft accident; and/or
3. bodily injury and/or damage to tangible property including resultant loss of use of such property arising out of the Insured's aviation operations caused other than by an aircraft accident.

Within sub-paragraph 3:

- i. solely for the purposes of this sub-paragraph and without prejudice to the meaning of the words in any other context, "bodily injury" shall mean only physical corporeal injury, fatal or otherwise, and unless arising directly therefrom shall not include mental anguish, fright or shock; and
 - ii. Data shall not be considered as tangible property.
4. the following coverages afforded by the Policy: none (unless specified below).

Nothing herein shall override any other exclusion clause attached to or forming part of this Policy.

AVN124 16.02.2018

