



NEAL-TRUESDALE
INSURANCE, INC.

www.nealtruesdale.com

August 29, 2000

Image Online Design Inc
% Frangie Motors, Inc.
12350 Los Osos Valley Rd.
San Luis Obispo, CA 93405

Re: Package
#30SBWLW8228
The Hartford
Effective Date: 09/27/2000
Expiration Date: 09/27/2001

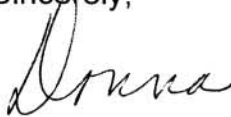
Dear Peggy:

We are pleased to enclose the subject renewal policy. Please review your policy carefully and refer to the actual forms for coverages, limitations, and exclusions..

Your policy has been renewed on a direct billing plan. You will be receiving the actual renewal billing directly from the insurance company captioned above under separate cover.

We appreciate the opportunity to be of continuing service to you and would welcome any questions you may have.

Sincerely,



Donna Allaire
NEAL-TRUESDALE INSURANCE, INC.

Enclosure



**NEAL-TRUESDALE
INSURANCE, INC.**

9/19/00

TO: ICANN
RE: IMAGE ONLINE DESIGN, INC.

Having served for several years as John Frangie's commercial and personal insurance broker for a variety of needs, we've enjoyed an excellent business relationship, and we look forward to continuing to handle the insurance for IOD, as it grows and secures its Registry Operator status.

In response to section D13.1.8 of the "TLD Application: Registry Operator's Proposal" dated 8/15/00, this letter confirms the following:

Commercial General Liability insurance is currently carried, through our brokerage, with Hartford Casualty Insurance Company Hartford Plaza, Hartford, CT 06115, on Policy# 30SBWLW8228DD, with limits of \$1million per occurrence/\$2million general aggregate.

Plans are in motion for securing additional insurance which may include, but not be limited to the following:

- First party property direct or consequential coverages and third party liability coverages for incidences such as fire & extended coverages, network intrusion, illegitimate use, denial of service attacks, virus, internal or external/ malicious or accidental/known or unknown sources.

We welcome any additional inquiries.

Sincerely,

Jeff Priolo

iodicann.doc

1400 Madonna Road
San Luis Obispo, CA 93405

(805) 549-7430

FAX (805) 549-7044

(800) 287-2827

insurance@nealtruesdale.com

Lic #0368744

TABS

Total Account Billing System

You will soon receive your first bill from The Hartford. Please do not make any payment until you receive your bill.

Your insurance policy is in force as of the effective date shown on the policy.

Here's how you will be billed:

- o Your total premium is displayed on the front of your policy. You will be billed according to the appropriate plan under which you are enrolled.
- o Please pay the exact amount of the "minimum due" shown on your bill, or you may choose to pay your total premium in full. (Please note: A small service fee is added to each billing installment. To save service fees, you may prepay future installments if you wish.)*
- o To avoid late payment fees, please pay the "minimum due" by the due date shown.*
- * **Service and late payment fees do not apply in all states.**
- o If you are on the installment billing plan and a credit or additional premium is due as the result of a change you make to your policy, the credit or premium will be spread equally over your future billing installments.
- o For your convenience, more than one policy may be combined on a single monthly bill. This means you can add eligible policies to your billing account at any time. Just ask your agent for details.
- o For questions you have about your coverages or bill plan options, be sure to contact your Independent Agent who represents The Hartford.

If you have any questions about your bill, please call The Hartford's Customer Billing Service Center toll-free number reflected on your bill.

Again, thank you for insuring with The Hartford.



28 This **Spectrum Policy** consists of the Declarations, Coverage Forms, Common Policy Conditions and any
82 other Forms and Endorsements issued to be a part of the Policy. This insurance is provided by the insurance
LW company of The Hartford Insurance Group shown below.
SBW

INSURER: HARTFORD CASUALTY INSURANCE COMPANY
HARTFORD PLAZA, HARTFORD, CT 06115
COMPANY CODE: 3

Policy Number: 30 SBW LW8228 DD

SPECTRUM POLICY DECLARATIONS ORIGINAL



Named Insured and Mailing Address: IMAGE ONLINE DESIGN, INC.
(No., Street, Town, State, Zip Code) C/O NEAL-TRUESDALE INSURANCE
1400 MADONNA ROAD
SAN LUIS OBISPO CA 93405

Policy Period: From 09/27/00 To 09/27/01 1 YEAR
12:01 a.m., Standard time at your mailing address shown above. **Exception:** 12 noon in Maine, Michigan, New Hampshire, North Carolina.

Name of Agent/Broker: ISG INTERNATIONAL, INC
Code: 721687

Previous Policy Number: 30 SBW LW8228

Named Insured is: CORPORATION

Audit Period: NON-AUDITABLE

Type of Property Coverage: SPECIAL

Insurance Provided: In return for the payment of the premium and subject to all of the terms of this policy, we agree with you to provide insurance as stated in this policy.

TOTAL ANNUAL PREMIUM IS: \$500 MP

Countersigned by

Rebecca B. Irred
Authorized Representative

08/21/00
Date

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SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 30 SBW LW8228

Location(s), Building(s), Business of Named Insured and Schedule of Coverages for Premises as designated by Number below.

Location: 001 **Building:** 001

PROPERTY OPTIONAL COVERAGES APPLICABLE TO THIS LOCATION LIMITS OF INSURANCE

COMPUTERS AND MEDIA COVERAGE \$ 15,000
FORM SS 04 41
DEDUCTIBLE: \$250

STRETCH COVERAGES: FORM SS 04 08
THIS FORM INCLUDES MANY
ADDITIONAL COVERAGES AND
EXTENSIONS OF COVERAGE. SOME
OF THE MAJOR COVERAGES ARE:

ACCOUNTS RECEIVABLE	\$ 25,000
VALUABLE PAPERS AND RECORDS	\$ 25,000
EMPLOYEE DISHONESTY	\$ 10,000
COMPUTERS AND MEDIA	\$ 10,000
PERSONAL PROPERTY OF OTHERS	\$ 10,000
PROPERTY OFF PREMISES	\$ 15,000
TEMPERATURE CHANGE	\$ 10,000
FORGERY OR ALTERATION	\$ 10,000
MONEY ORDERS AND COUNTERFEIT	\$ 10,000
PAPER CURRENCY	
BACK-UP OF SEWERS AND DRAINS	\$ 25,000

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SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 30 SBW LW8228

BUSINESS LIABILITY	LIMITS OF INSURANCE
LIABILITY AND MEDICAL EXPENSES	\$1,000,000
MEDICAL EXPENSES - ANY ONE PERSON	\$ 10,000
PERSONAL AND ADVERTISING INJURY	\$1,000,000
FIRE LEGAL LIABILITY - FIRE, LIGHTNING, OR EXPLOSION	\$ 300,000
AGGREGATE LIMITS	
PRODUCTS-COMPLETED OPERATIONS	EXCLUDED
FORM SS 05 09	
GENERAL AGGREGATE	\$2,000,000
BUSINESS LIABILITY OPTIONAL COVERAGES	
HIRED/NON-OWNED AUTO LIABILITY	\$1,000,000
FORM: SS 04 38	

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COMMON POLICY CONDITIONS



COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
 2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) Seasonal unoccupancy; or
 - (b) Buildings in the course of construction, renovation or addition.
- Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
- (2) After damage by a Covered Cause of Loss, permanent repairs to the building:
 - (a) Have not started; and
 - (b) Have not been contracted for, within 30 days of initial payment of loss.
 - (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
 - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
 4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
 5. If this policy is canceled, we will send the first Named Insured any premium refund due. Such refund will be pro rata. The cancellation will be effective even if we have not made or offered a refund.
 6. If notice is mailed, proof of mailing will be sufficient proof of notice.
 7. If the first Named Insured cancels this policy, we will retain no less than \$100 of the premium.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized on behalf of all insureds to agree with us on changes in the terms of this policy. If the terms



When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not brought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

J. PREMIUMS

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

- a. Paid to us prior to the anniversary date; and
- b. Determined in accordance with paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

K. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

1. Applicable to Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers. This will not restrict your insurance.

2. Applicable to Business Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

A. Under B. EXCLUSIONS, 1. Applicable to Business Liability Coverage, exclusion g. does not apply to any "auto" that is a "non-owned auto."

A "non-owned auto" is an "auto" you do not own including but not limited to:

1. An "auto" that you lease, hire, rent or borrow;
2. A customer's "auto" that is in your care, custody or control for service; and
3. An employee's "auto" while used in your business or personal affairs.

This does not include a long-term leased "auto" that you insure as an owned "auto" under any other auto liability insurance policy or a temporary substitute for an "auto" you own that is out of service because of its breakdown, repair, servicing or destruction.

This includes "autos" owned by your employees or partners or members of their households but only while used in your business or your personal affairs.

B. With respect to the operation of a "non-owned auto," WHO IS AN INSURED is replaced with the following:

The following are "insureds"

- a. You.
- b. Your employee while using with your permission:
 - (1) An "auto" you hire or borrow; or
 - (2) An "auto" you don't own, hire or borrow in your business or personal affairs; or
 - (3) An "auto" hired or rented by your employee on your behalf and at your direction.
- c. Anyone else while using with your permission a "non-owned auto" except:
 - (1) The owner or anyone else from whom you hire or borrow a "non-owned auto."

(2) Someone using a "non-owned auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.

(3) Anyone other than your employees, partners, a lessee or borrower or any of their employees, while moving property to or from a "non-owned auto."

(4) A partner of yours for a "non-owned auto" owned by him or her or a member of his or her household.

d. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

C. With respect to the operation of a "non-owned auto":

1. **B. EXCLUSION, 1.e.** does not apply to "bodily injury" to domestic employees not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract."

2. **B. EXCLUSION, 1.f.** is replaced by the following:

Coverage does not apply to "bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto".

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IMPORTANT NOTICE TO OUR POLICYHOLDERS

THANK YOU FOR RENEWING YOUR POLICY WITH THE HARTFORD. WITH THIS NOTICE WE ARE PROVIDING YOU ONLY WITH THE DECLARATIONS PAGE, WHICH OUTLINES YOUR COVERAGES, AND WITH THOSE POLICY FORMS, NOTICES, AND BROCHURES WHICH ARE DIFFERENT FROM THOSE WHICH WE PROVIDED WITH YOUR PREVIOUS POLICY. **YOU SHOULD RETAIN ALL OF THESE DOCUMENTS AND THOSE PROVIDED WITH YOUR PREVIOUS POLICY INDEFINITELY** SO THAT YOU WILL HAVE A COMPLETE SET OF POLICY FORMS AT ALL TIMES FOR YOUR REFERENCE.

IF YOU HAVE QUESTIONS, OR IF AT ANY TIME YOU NEED COPIES OF ANY OF THE FORMS LISTED ON YOUR POLICY, PLEASE CALL YOUR HARTFORD AGENT OR BROKER, OR THE OFFICE OF THE HARTFORD IDENTIFIED ON YOUR POLICY, AS APPROPRIATE.

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