

**Kelly Price**

**From:** Michelitch, Terry  
**Sent:** Monday, July 02, 2001 4:53 PM  
**To:** 'Allen Furst'  
**Cc:** Price, Kelly; Price, Mike  
**Subject:** Lance Armstrong Contractual Bonus Coverage

**Importance:** High  
**Sensitivity:** Confidential

Allen,

Per our discussion, we have received the following additional offer from Chubb:

**Coverage Parameters:**

**Insured:** Lance Armstrong  
**Assured:** Tailwind Sports LLC

**Bonus Clause:**

2002: \$ 500,000  
2003: \$1,000,000  
2004: \$1,000,000

Total Consecutive Coverage(exclusive of 2001) would now be as follows:

2002: 2 million  
2003: 4 million  
2004: 11 million

Total: 17 million

Bonuses are for consecutive victories only and require Lance to win the 2001 Tour De France. If Lance does not win the Tour De France in any year, coverage becomes void.

Premium: \$500,000  
ESDX Fee: \$ 15,000

\* We are discussing payment terms with Chubb. Chubb has expressed the desire to be paid as soon as possible since the 2001 Tour is beginning this weekend and considering part of their underwriting is based on the results of the 2001 TOUR(rates will change once the TOUR starts this weekend).

\*\* We are also discussing a partial refund clause if the TOUR is cancelled. Given the doping situation, we believe it is prudent to implement this clause in the event, for example, the riders vote to boycott the TOUR claiming they are being treated unfairly.

Regardless, we will need to bind this coverage as soon as possible to secure the rates and will negotiate the above points once you ask us to proceed.

Furthermore, we are still waiting on additional limits from Lloyd's which we hope to have by tomorrow. Would Tailwind be purchasing Lloyd's additional limits or would financing come from another source?

Please advise us of how to proceed at your earliest convenience. We were not sure how you wanted to apprise Bill of the additional limits, so we thought it prudent to only send this correspondence to your attention.

Best Regards,

Terry J. Michelitch

BB1  
48



CL 0190

CL Ex 18

**SPECIALTY BROKERS**

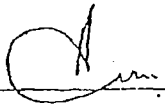
TO: IC Group Inc.  
383 Dovercourt Drive  
Winnipeg, MB R3Y 1G4  
CANADA

### CERTIFICATE OF INSURANCE

*This is to certify that Insurance as described hereunder has been arranged on behalf of the Insured named herein and that such insurance, at the date hereof, is in full force and effect.*

**POLICY NUMBER:** ICSB01158X01  
**INSURED:** Tailwind Sports, LLC  
5515 Security Lane, Suite 1103  
Rockville, MD  
20852  
U.S.A.  
**TYPE:** Prize Insurance  
**POLICY PERIOD:** July 7, 2001 to October 29, 2004  
**SUM INSURED:** Up to but not exceeding USD \$ 2,500,000.00  
**COMPANY:** Lloyd's of London  
**CONDITIONS:** Subject to all terms, conditions of Cover Slip Number ICSB01158X01

This Certificate is not valid unless signed by an authorized representative of the Underwriter(s).

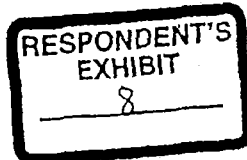
  
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**DATED:**

Wednesday, June 20, 2001



**INSURANCE BROKERS • RISK CONSULTANTS**



CL 0177

IC INITIALS: me - LA - TR

CLIENT INITIALS: \_\_\_\_\_

**POLICY NUMBER: ICSE0115EX01**

TYPE: Prizs Indemnity Insurance  
FORM: GC(N)2 - NMA 2465  
INSURED: Tailwind Sports, LLC  
ADDRESS: 5515 Security Lane, Suite 1103  
Rockville, MD 20852  
U.S.A.  
POLICY PERIOD: July 7, 2001 to October 29, 2004  
INSURED EVENT: Lance Armstrong, Tour de France 2001, 2002, 2003, 2004  
INTEREST: To indemnify the Insured in the event that Lance Armstrong is the official winner of the Tour de France competition for 2001, 2002, 2003, and 2004. Sum Insured amount is payable in accordance with the Official Rules and Regulations governing the Tour de France competition.  
SUM INSURED LIMIT: Up to but not exceeding USD \$ 2,500,000.00  
WARRANTIES:  

1. Warranted the Lance Armstrong and his team must comply with the Tour de France rules governing the competition.
2. Subject to the rules of the Union Cycliste Internationale, (the governing body of international racing, and advocate for worldwide cycling).
3. Warranted that this coverage is subject to the terms provided by SCA.

  
CONDITIONS: As set out in attached Contingency Policy  
TERRITORIAL LIMITS: France  
SECURITY: 100% Lloyd's of London  
AGENT: Insured Creativity Specialty Brokers Ltd.  
PREMIUM: USD \$75,000.00  
SURPLUS LINES TAX: Extra

The Marginal Notes are intended for guidance only. They do not form part of this Insurance, nor do they claim to be an exact description of its meaning. This document is only complete when both a Cover Slip and an insuring agreement (see Interest section of Cover Slip) approved by Underwriters are included.

**1. CONDITIONS PRECEDENT** It is a condition precedent to this Insurance that the Insured has:

- Truth of Statements:* 1.1 Truthfully declared all material facts likely to influence a reasonable Underwriter in determining:  
a) Whether or not to accept the risk,  
b) The premium,  
c) The conditions, exclusions and limitations,  
Having diligently made all necessary inquiries to establish those facts.
- Pre-existing Conditions:* 1.2 No knowledge at inception, of any undisclosed matter, fact, or circumstance, actual or threatened, that increases or could increase the possibility of a loss under this Insurance.
- Premium Payment:* 1.3 Paid the premium due in accordance with the conditions of quotation contained in the Proposal Form and/or in the ensuing quotation.
- Materiality of Information:* 1.4 Declared that all the information contained in the written Proposal Form or in documents supplied to support such Proposal is in all respects true and complete. Further the Insured agrees that all such information is material and such items form the basis of this Insurance.
- Information:* 1.5 Advised Underwriters of any change in the information detailed in 1.4, which took place prior to inception of this Insurance.
- Promotion Mechanics:* 1.6 The Insured undertakes to ensure that only claims, which fall within the terms of the promotional campaign, are honored and that sound commercial and legal practices have been made by the Insured at the inception of this Policy.
- Claims:* 1.7 The Insured undertakes to advise the Underwriter,  
i) As soon as they are aware that the amount of the self-insured costs for the promotion is being approached,  
ii) Of any alteration of the promotion or the conditions of the promotion as advised to the Underwriter.  
In the event of any claim and/or action, suit or proceeding to enforce a claim or loss hereunder, the burden of proving that the loss is recoverable under this policy, that no warranty has been breached, and that no exclusion applies, shall fall upon the Insured. The claims will be paid up to a maximum of the stated policy limit, in accordance with the lesser of the Insured's stated values used by the Underwriter to price the risk, or the actual cost(s) paid by the Insured as determined to the satisfaction of the Underwriters.

**2. GENERAL CONDITIONS**

- False or Fraudulent:* 2.1 Any fraud, misstatement or concealment in the information detailed above or in the making of a claim or other wise bowssoever, shall render all claims hereunder forfeit. Any losses arising out of infidelity and/or dishonesty of the Insured or their employees, or any person(s) connected with the running of the promotion that is in collusion with the Insured, shall render all claims hereunder forfeit.
- Due Diligence Clause:* 2.2 The Insured shall at all times do and concur in doing all things necessary to avoid or diminish a loss under this Insurance.
- Definitions:* 2.3 This Insurance and Cover Slip shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Insurance or Cover Slip shall bear such meaning wherever it may appear.
- Compliance with* 2.4 The Insured shall observe and fulfill the terms and conditions contained herein or

- Permission for other Insurance:* 2.5 It is understood and agreed that no other insurance shall be effected by the Insured to protect the interest insured hereunder without the prior written approval of Underwriters hereon. In the event that such other insurance is effected Underwriters reserve the right to amend the terms and conditions of this insurance.
- Service of Suit:* 2.6 It is agreed that in the event of the failure of Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured, will submit to the jurisdiction of any Court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to District Court of the United States, or to seek a transfer of a case to another Court as permitted by the laws of the United States or any state in the United States.
- It is further agreed that the service of process in such suit may be made upon the person or firm named in the Cover Slip and that in any suit instituted against any one of them upon this insurance, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.
- The said person or firm is authorized and directed to accept service on behalf of Underwriters' in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that he will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.
- Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereby designate the Superintendent Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any law process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this insurance, and hereby designate the person or firm named in the Cover Slip as the person to whom the said officer is authorized to mail such process or a true copy thereof.
- Premium and Expenses:* 2.7 The premium and any expense incurred in the formulation of a claim hereunder shall not be a recoverable item.
- No Return of Premium:* 2.8 The premium being prepaid and this insurance non-cancelable there can be no return of premium unless otherwise stated in the Cover Slip.
- Maintenance of records:* 2.9 The Insured shall maintain adequate records in connection with the subject matter insured hereunder.
- Under-Insurance:* 2.10 The Insured and the Underwriter agree that the insurance will be limited to the maximum of the stated limit of liability (sum insured) in this policy. Further, the Insured agrees that any loss be paid based upon the Insured's actual cost for loss items and no profit will be insured unless specifically agreed to by the Underwriters.
- Salvage and Recoveries:* 2.11 All salvage, recoveries and payments due to the Insured will be applied as if recovered or received prior to settlement of the loss and all necessary adjustments will be made by the parties involved.
- Subrogation:* 2.12 Underwriters reserve the right to pursue an action for recovery from any party, whether before or after payment of a loss, at their sole discretion and in the name of the Insured or otherwise.
- In the event of any payment under this insurance, Underwriters shall be subrogated to the extent of such payment to all the Insured's rights of recovery and the Insured shall execute all papers required and shall do everything that may be necessary to secure such rights.

- Assignment:* 2.14 This Insurance may not be assigned in whole or in part without the written consent of Underwriters.
- Loss Payee:* 2.15 If the Loss Payee is other than the Insured, all claim payments due under the Terms and Conditions of this Insurance shall be made payable to the party (s) detailed in the Cover Slip as Loss Payee(s). Payment of such losses by Underwriters to the Loss Payee(s) shall be a sufficient and complete discharge of all of Underwriters' obligations to the Insured and Loss Payee(s) in connection with said losses.

### 3. GENERAL EXCLUSIONS

This Insurance does not cover any loss directly or indirectly arising out of, contributed to by or resulting from:

- Fraud:* 3.1 Any fraud, misrepresentation or concealment by the Insured.
- War:* 3.2 Actual or threatened war, invasion, act of foreign enemies, hostilities, insurrection (whether war be declared or not), civil war, rebellion, revolution, military or usurped power, confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government.
- Civil Commotion:* 3.3 Civil commotion assuming the proportions of or amounting to a popular uprising, riot, martial law or the act of any lawfully constituted authority in the furtherance of maintaining public order.
- Customs Seizure:* 3.4 Seizure or destruction under quarantine or Customs regulations, confiscation, nationalization or requisition or destruction of or damage to property, by or under the order of any government or public or local authority, or the handling of contraband or the engaging in illicit trade or transportation.
- Government or Civil Interventions:* 3.5 The operation of any statute or law providing for compulsory national service for citizens or residents, any order for repatriation, internment, imprisonment, deportation or the refusal of permit to enter or remain within any country or at any place where the insured Event is to be held which is the subject of this Insurance.
- Radioactive Contamination:* 3.6 a) Ionizing radiation's or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.  
b) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- Seepage and/or Pollution and/or Contamination:* 3.7 Seepage and/or pollution and/or contamination unless it is discovered during the period of this Insurance and is the direct cause of a loss hereunder.
- Financial Crises:* 3.8 a) Withdrawal, insufficiency or lack of finance howsoever caused,  
b) The financial failure of any venture,  
c) Lack of or inadequate receipts, sales or profits of any venture,  
d) Variations in the rate of exchange, rate of interest or stability of any currency,  
e) Financial default, insolvency, or failure to pay any person, firm or corporation, whether a party to this Insurance or otherwise.
- Lack of Support:* 3.9 a) Lack of or inadequate response, support or withdrawal of support by any party,  
b) Lack of or inadequate attendance or insufficient interest prior to attendance.
- Print Error:* 3.10 Any claim(s) or Loss(es) arising directly or indirectly from erroneous printing or duplication.

- Breach:* 3.12 Breach of contract by any party to this insurance unless demonstrably caused by an event beyond the control of the party breaching the contract, shall render all claims hereunder forfeit.
- Other Insurance:* 3.13 Any happening which is insured by or would, but for the existence of this insurance, be insured by any other insurance(s) except for any excess beyond the amount which would have been payable under such other insurance(s) had this insurance not been effected.

**4. CLAIMS PROCEDURE**

It is a condition precedent to the liability of Underwriters that in the event of any happening or circumstance which could give rise to a claim under this insurance, the Insured shall:

- 4.1
- a) As a matter of urgency give notice by the most expeditious means of the happening of any circumstance, to the name(s) designated in the attached Cover Slip.
  - b) Confirm the facts in writing as soon as possible, with as much information as available.
  - c) Make no admission of liability without the prior written consent of Underwriters.
  - d) Take all steps to minimize or avoid any loss hereunder.
  - e) Provide Underwriters or their appointed representatives with:
    - i) All necessary assistance in a timely manner.
    - ii) All information required.
    - iii) All documentation and records necessary to establish and assess indemnity hereunder.
    - iv) Copies or extracts as may be required.
  - f) Prove the loss to the satisfaction of Underwriters.
  - g) Forward immediately to Underwriters or their representatives any letter, writ or other document received in connection with any claim made under this insurance.
- 4.2 The Insured as often as may be reasonably required shall submit to examination under oath on all matters connected with a claim by any person named by Underwriters at such reasonable time and place as may be designated by Underwriters or their representatives. So far as is in their power the Insured shall cause their employees and all other persons interested in the insured Event(s), to comply with the foregoing. No such examination under oath or examination of books or documents, or any other act of Underwriters or their representatives in connection with any investigation hereunder, shall be deemed a waiver of any defense, which Underwriters might otherwise have. All such examinations and acts shall be deemed to have been made or done without prejudice to Underwriters' liability.
- 4.3 As soon as it is practicable, the Insured will render a signed and sworn proof of loss to Underwriters or their representative to substantiate the occurrence, nature, cause and amount of loss claimed under this insurance.
- 4.4 Underwriters reserve the right, if they so wish, to:
- a) Take such steps, as they deem necessary to prevent, mitigate or minimize a loss.
  - b) Take over and conduct the defense or settlement of claims made against the Insured that are covered by this insurance.
  - c) Pursue all rights or remedies available to the Insured whether or not payment has been made hereunder.

**POLICY AMENDMENT**

ATTACHING TO AND FORMING PART OF POLICY NUMBER ICSB01158X01

ENDORSEMENT

It is hereby understood and agreed that with effect from inception being, July 29, 2001, the following is amended to read as follows and not as previously stated:

INSURED: Tailwind Sports Corporation

All other terms, conditions and limitations remain unaltered.

IC LONDON LTD.



DATED:

Friday, February 27, 2004





15 Mountain View Road, Warren, ...

Prior Number New

Producer Number 54003 Policy Number 7949 31 54

Name & Address Insured  
Tailwind Sports, LLC  
5515 Security Lane #1103  
Rockville, MD 20852

Issued by the stock insurance company indicated  
(by "x" below), herein called the Company

- FEDERAL INSURANCE COMPANY  
Incorporated under the laws of Indiana
- VIGILANT INSURANCE COMPANY  
Incorporated under the laws of New York
- PACIFIC INDEMNITY COMPANY  
Incorporated under the laws of California

Name & Address Producer  
Crump Insurance Services of Texas, Inc.  
7557 Rambler Road, Suite 300  
Dallas, TX 75231

Term, from July 7, 2001 to December 31, 2004 12:01 am standard time at place of issuance

Amount (dollars only) \* \* \* Rate \* \* \* Premium (dollars only) \$75,000

In consideration of the stipulations herein named and of the premium above specified, the Company for the term specified above, does insure the Named Insured, to an amount not exceeding the amount above specified, on the subject matter of this insurance as described in the Rider(s) attached hereto and made part of this policy.

Forms Attached: Prize Indemnification Policy, Insured Events Endorsement

This policy is made and accepted subject to the foregoing stipulations and conditions, and to the conditions printed on the back hereof, which are hereby specially referred to and made a part of this policy.

In Witness Whereof, the Company issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the Company.

PACIFIC INDEMNITY COMPANY

FEDERAL INSURANCE COMPANY  
VIGILANT INSURANCE COMPANY  
GREAT NORTHERN INSURANCE COMPANY

*Stephen G. Strickland*  
President

*Henry A. Smith*  
Secretary

*Henry A. Smith*  
President

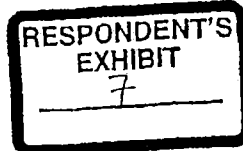
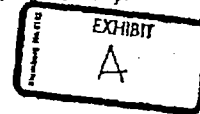
*Henry A. Smith*  
Secretary

July 24, 2001

Date

Form 1042-01-01 7.1.2001

Authorized Representative



CL 0167

CL Ex 19

CONDITIONS

**Misrepresentation and Fraud.** This entire policy shall be void if, whether before or after a loss, the insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

**Notice of Loss.** The insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this policy and shall also file with the Company or its agent within sixty (60) days from date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.

**Examination Under Oath.** The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, read in so far as is within his or their power reads his or their employees, members of the household and others to submit to examinations under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made. No such examination under oath or production of books or documents, nor any other act of the Company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Company might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.

**Valuation.** The Company shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

**Settlement of Loss.** All adjusted claims shall be paid or made good to the insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the insured has received the same from others.

**No Benefit to Bailee.** This insurance shall in no way insure directly or indirectly to the benefit of any carrier or other bailee.

**Subrogation or Loss.** If in the event of loss or damage the insured shall acquire any right of action against any individual, firm or corporation for loss of or damage to property covered hereunder, the insured will, if requested by the Company, assign and transfer such in or right of action to the Company or, at the Company's option, issue and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the

amount paid or advanced, and will permit suit to be brought in the insured's name under the direction of and at the expense of the Company.

**Loss Clause.** Any loss hereunder shall not reduce the amount of this policy, except in event of payment of claim for total loss of an item specifically scheduled hereon. If claim is paid for total loss of one or more scheduled items, the unearned premium applicable to such items will be refunded to the insured or applied to the premium due on item(s) replacing those on which the claim was paid.

**Pair, Set or Parts.** In the event of loss of or damage to:

9. (a) any article or articles which are a part of a pair or set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss of the pair or set; or
- (b) any part of property covered consisting, when complete for use, of several parts, the Company shall only be liable for the value of the part lost or damaged.

**Protection of Property.** In case of loss, it shall be lawful and

10. necessary for the insured, his or their factors, servants and assigns, to sue, labor, and travel for, to and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the insured or the Company, in recovering, saving and preserving the property insured in case of loss be considered a waiver or an acceptance of abandonment. The expenses so incurred shall be borne by the insured and the Company proportionately to the extent of their respective interests.

**Suit.** No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months next after discovery by the insured of the occurrence which gives rise to the claim, provided however, that if by the laws of the State within which this policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such State.

**Appraisal.** If the insured and the Company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the insured or the Company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. In award in writing of loss, two shall determine the amount of loss. The insured and the Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

**Cancellation.** This policy may be canceled by the Insured 13. by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This policy may be canceled by the Company by mailing to the Insured at the address shown in this policy or last known address written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The date of surrender or the effective date of the cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing. If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed or delivered as aforesaid shall be a sufficient tender of any refund of premium due to the Insured.

**Conformity to Statute.** Terms of this policy which are in 14. conflict with the statutes of the State wherein this policy is issued are hereby amended to conform to such statutes.

**Changes.** Notice to any agent or knowledge possessed by any 15. agent or by any other person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

Notwithstanding anything contained in this policy, it is 16. understood and agreed that property which is insured under this policy is also covered against the risk of damage or destruction by civil authority during a conflagration and for the purpose of recording the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by war, invasion, revolution, rebellion, insurrection or other hostilities or war-like operations.

#### SPECIAL STATE PROVISIONS

##### KANSAS

**Cancellation and Suit.** If this policy is issued in the state of Kansas, the words "five (5) years" are substituted for "twelve (12) months" in Condition 11, Suit; and the words "thirty (30) days for reasons other than non-payment of premium, five (5) days for non-payment of premium" are substituted for the words "five (5) days" in Condition 13, Cancellation.

##### MARYLAND

**Cancellation and Suit.** If this policy is issued in the state of Maryland, the words "thirty-six (36) months" are substituted for "twelve (12) months" in Condition 11, Suit, and Condition 13, Cancellation is amended as follows: "With respect to cancellation for reasons other than non-payment of premium, or non-renewal, this policy may be canceled or not renewed by the Company by mailing or delivering to the Insured written notice not less than forty-five (45) days prior to the effective date of cancellation or the expiration date of the policy." All other provisions of the cancellation condition of this policy not in conflict herewith shall remain unchanged.

##### VIRGINIA

**Appraisal and Suit.** If this policy is issued in the state of Virginia, the words "twenty-four (24) months" are substituted for "twelve (12) months" in Condition 11, Suit, and the words "twenty (20) days" are substituted for "sixty (60) days" in Condition 12, Appraisal and the following phrase is added thereto: "However, if the written demand is made by the Company, then the Insured shall be reimbursed by the Company for the reasonable cost of the Insured's appraiser and the Insured's portion of the cost of the umpire. In no event shall the award appraisers be construed as binding upon the Insured or Company".

##### TEXAS

**Notice of Loss and Suit.** If this policy is issued in the state of Texas, the words "ninety-one (91) days" are substituted for "ninety (90) days" in Condition 2, Notice of Loss and the words "two (2) years and one (1) day" are substituted for "twelve (12) months" in Condition 11, Suit.

##### FLORIDA, WEST VIRGINIA and WYOMING

**Settlement of Loss.** If this policy is issued in any of the following states, the words "sixty (60) days" in Condition 5, Settlement of Loss, are deleted and the following substituted therefor:

Florida:	"Twenty (20) days"
West Virginia:	"Fifteen (15) days"
Wyoming:	"Forty-five (45) days"

##### FLORIDA, NEBRASKA, NEW YORK, NORTH CAROLINA and WYOMING

**Suit.** If this policy is issued in any of the following states, the words "twelve (12) months" in Condition 11, Suit are deleted and the following substituted therefor:

Florida:	"Five (5) years"
Nebraska:	"Five (5) years"
New York:	"two (2) years"
North Carolina:	"three (3) years"
Wyoming:	"forty-eight (48) months"

##### WASHINGTON

**Valuation and Appraisal.** If this policy is issued in the state of Washington, the words "with proper deduction for depreciation" are deleted in Condition 4, Valuation, and the last sentence in Condition 12, Appraisal, is amended to read "the Company and the Insured shall not be held to have waived any of its rights by any act relating to appraisal".

ENDORSEMENT

Name of Company: Federal Insurance Company  
Policy Number: 7949 31 54  
Insured: Tailwind Sports, LLC  
Producer: Crump Insurance Services of Texas, Inc.  
Policy Term: July 7, 2001 to December 31, 2004  
Date Issued: July 24, 2001

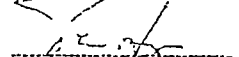
INSURED EVENTS

2001, 2002, 2003, and 2004 Tour de France:

The Amount of Insurance will be awarded to Tailwind Sports in the event Lance Armstrong should be the official winner of the 2001, 2002, 2003, and 2004 Tour de France.

Amount of Insurance: \$2,500,000

All other terms and conditions remain unchanged.

  
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Authorized representative

Insured Events Endorsement

CL 0170

## Prize Indemnification Policy

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us", and "our" refer to the Company providing the insurance.

### 1. Company Agreement

In consideration of the premium charged and your compliance with all the provisions of this policy, including the contest rules, we will reimburse you for your obligation to award the amount shown on the coverage page.

### 2. Insured's Agreement

You agree that on the effective date of this policy, all necessary arrangements have been made for the contest or promotion and any license or permit required for such has been procured. You further agree that to the best of your knowledge the event is not being held in violation of any Federal, State or municipal statute.

### 3. Amount of Insurance

We will pay up to, but not to exceed, the amount of insurance shown on the coverage page.

### 4. Exclusions

We will not pay for prize indemnification resulting directly or indirectly from:

- A. Any dishonest fraudulent, criminal or malicious act committed by you or by any of your Directors, Officers, Employees, Agents or representatives;
- B. Any contravention of the contest rules and regulations or any other condition or warranty of this policy by any contest participant making a claim for the insured prize.

### 5. Premium

The Premium shown on the Coverage Page shall be payable to us on the effective date of this policy.

6. Cancellation

Due to the nature of this policy, no cancellation will be permitted after the coverage is in force.

7. What to do when a prize is won or appears likely to be won

A. Give immediate notice to us;

B. Cooperate with us in the investigation of the prize reimbursement by providing us with relevant records and documents that we may reasonably require and by allowing us to make copies; submitting to a signed examination under oath and, insofar as it is within your power, cause other persons having knowledge of the contest, promotion or the award to submit to a signed examination under oath;

C. Submit to us within thirty (30) days following the award your signed, sworn, proof of loss.

8. Other Insurance

If the prize(s) covered by this policy, is also covered for you by another policy not issued by us, we will pay you only that portion of the prize reimbursement which is excess of the coverage provided by the other insurance company.

9. Suit Against Us

No action shall be brought against us unless there has been compliance by you with all of the policy provisions and the action is started within one (1) year from the date of the covered prize is won.

10. Loss Payment

We will adjust all claims with you. We will pay you, unless some other person is designated in the policy to receive payment or is legally entitled to receive payment. The prize reimbursement will be payable within ten (10) days after we receive from you a Proof of Loss, which is satisfactory to us.

11. Concealment of Fraud

There is no coverage under this policy, if you have intentionally concealed or misrepresented any material fact or circumstance relating to this policy.

12. Waiver or Change of Policy Provisions

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No waiver or change of any provision of this policy shall be valid unless specifically endorsed onto the policy.

13. Assignment

No assignment of this policy shall be valid, unless specifically endorsed onto the policy.

14. Subrogation

In the event of Loss under this policy, we shall be subrogated to all your rights of recovery against any person or organization. You shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

15. Notice

Any notice to be given to us shall be addressed to the Company in care of Chubb & Son, Inc., 21 Mountain View Road, P.O. Box 1615, Warren, New Jersey 07061-1615

This Notice pertains to the following quotation issued by an insurer of the Chubb Group of Insurance Companies. If you have more than one Chubb policy, you will receive individual notice(s) for such other policies.

Mailing Date February 5, 2003  
Insured Name Tailwind Sports, LLC  
Mailing Street Address 135 Cassell's Alley  
Mailing City, State, Zip Mooresville, North Carolina 28117

Policy Type	Policy Number	Effective Date	Underwriting Company
Clm Spce	79493134	7/7/01	Federal Insurance Company



**POLICYHOLDER DISCLOSURE NOTICE  
TERRORISM RISK INSURANCE ACT OF 2002**

You are hereby notified that pursuant to the Terrorism Risk Insurance Act of 2002 (the "Act") effective November 26, 2002, we are making available to you insurance for losses arising out of certain acts of international terrorism. Terrorism is defined as any act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States Mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Insurance for acts of terrorism is already included in your policy.

You should know that, effective November 26, 2002, any losses caused by acts of terrorism covered by your policy will be partially reimbursed by the United States under the formula set forth in the Act. Under this formula, the United States of America pays 90% of covered terrorism losses that exceed the statutorily established deductible to be paid by the insurance company providing the insurance. The portion of your annual premium that is attributable to insurance for such acts of terrorism is zero, because we could not distinguish (and separately charge for) acts of terrorism from other causes of loss when we calculated your premium.

If you have any questions about this notice, please contact your agent or broker.





February 5, 2003

Tailwind Sports, Llc  
135 Gasoline Alley  
Mooresville, North Carolina 28117

Subject	Tailwind Sports, Llc	Effective Date	Underwriting Company
Policy Type	Policy Number	7/7/01	Federal Insurance Company
CIM SPEC	79493154		

Dear Policyholder:

We have enclosed a Policyholder Disclosure Notice, Form # 99-10-0719 for the above referenced policy, which speaks to the Terrorism Risk Insurance Act of 2002 which became law effective November 26, 2002.

Attachment

CL 0175

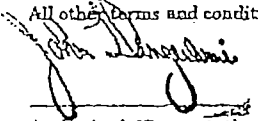
ENDORSEMENT #1

Name of Company: Federal Insurance Company  
Policy Number: 7949-31-54  
Insured: Tailwind Sports, LLC  
Producer: Crump Insurance Services of Texas, Inc.  
Policy Term: July 7, 2001 to December 31, 2004  
Date Issued: May 18, 2004

In consideration of the premium charged, it is hereby understood and agreed that the Named Insured is amended to read as follows:

TAILWIND SPORTS CORPORATION

All other terms and conditions remain unchanged.

  
\_\_\_\_\_  
Authorized representative

CL 0176