

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT is dated as of _____, 2000 (this "Agreement"), and entered into by and between ICM Registry Inc., a Delaware corporation (the "Company") and each of the investors named on the attached Schedule I (individually an "Investor" and collectively, the "Investors").

WHEREAS, on July 16, 2000, the Board of the Internet Corporation for Assigned Names and Numbers (hereinafter referred to as "ICANN"), issued a request for proposals (hereinafter referred to as the "RFP") from entities seeking to sponsor or operate one or more new Top Level Domains ("TLD");

WHEREAS, in response to the RFP, the Company intends to submit a proposal to ICANN to (i) become a for-profit accredited Unsponsored Chartered Top Level Domain Registry Operator for the '.XXX' extension (the ".XXX Proposal") and (ii) become a non-profit accredited Unsponsored Chartered Top Level Domain Registry Operator for the '.KIDS' extension;

WHEREAS, Investors are industry leaders in the adult content/distribution industry and the Company and the Investors believe that it is in their respective best interests to cooperate for the purpose of preparing and submitting the .XXX Proposal; and

WHEREAS, the Investors desire to purchase and the Company desires to sell to the Investors an aggregate of shares (the "Shares") the Company's Common Stock, par value \$_____ per share (the "Common Stock"), on the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

ARTICLE 1

THE SHARES

1.1 Issuance, Sale and Delivery of the Shares.

(a) Subject to the conditions set forth in Article 4 and Article 5 of this Agreement, the Company hereby agrees to issue and sell to each Investor and each Investor hereby severally and not jointly agrees to purchase from the Company _____ Shares on the First Closing Date (as hereafter defined), _____ Shares on the Second Closing Date (as hereafter defined), and _____ Shares on the Third Closing Date (as hereafter defined), at a purchase price of \$_____ per each Share. The First Closing Date shall be the date of this Agreement as set forth in the first

paragraph of this Agreement. The Second Closing Date shall be the day immediately following (or if that day is not a business day, then the immediately following business day) the day ICANN awards to the Company the .XXX top-level domain registry or equivalent adult content top-level domain (the "Award Date"). The Third Closing Date shall be the fortieth (40th) day after the Award Date (or if that day is not a business day, then the immediately following business day). If the Award Date does not occur within ___ days of the date of this Agreement, the Investors shall have no obligation to purchase and the Company shall have no obligation to sell any Shares above the Shares that were purchased and sold on the First Closing Date. (The closing of the purchase and sale of Shares on the First Closing Date is referred to herein as the "First Closing," the closing of the purchase and sale of Shares on the Second Closing Date is referred to herein as the "Second Closing," and the closing of the purchase and sale of Shares on the Third Closing Date is referred to herein as the "Third Closing")

(b) The First Closing, the Second Closing, and the Third Closing will take place at the offices of Holland & Knight LLP, 701 Brickell Avenue, Miami, Florida 33131 at 10:00 a.m. (local time) on the First Closing Date, the Second Closing Date, and the Third Closing Date, respectively, or at such other place, date and time as may be mutually agreed upon by the Company and the Investor. (The First Closing, the Second Closing, and the Third Closing are sometimes individually and collectively referred to herein as a "Closing." The First Closing Date, the Second Closing Date, and the Third Closing Date are sometimes individually and collectively referred to herein as a "Closing Date").

(c) Upon the Investor's purchase of the Shares at a Closing, the Company shall issue and deliver to the Investor a stock certificate or certificates in definitive form, registered in the name of such Investor, representing the number of Shares purchased by the Investor at such Closing. As payment in full for the Shares being purchased by it at the Closing, and against delivery of the stock certificate or certificates therefor as aforesaid on the Closing Date, the Investor shall deliver to the Company by check or wire transfer an amount equal to \$_____ for each Share being purchased by the Investor at the Closing.

1.2 Transfer of the Shares. The Shares cannot be transferred, sold, pledged, assigned or otherwise disposed of except in accordance with and subject to the terms and conditions of this Agreement and the Stockholders Agreement attached as Exhibit A hereto (the "Stockholders Agreement") and in compliance with applicable federal and state securities law.

In addition to and notwithstanding anything in this Agreement or the Stockholders Agreement to the contrary, the Company shall not effect any transfer of Shares unless such transfer is made pursuant to registration under the Securities Act of 1933, as amended (the "Securities Act") and applicable state securities laws, or pursuant to an available exemption from registration under the Securities Act

and any applicable state securities laws. Prior to any proposed transfer of Shares, the Company may request an opinion of counsel to be obtained at the expense of the Investor, which counsel and opinion must be satisfactory to the Company, to the effect that the proposed transfer may be effected without registration under the Securities Act, and applicable state securities laws.

1.3 Replacement of Certificates. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any certificate representing Shares and, if requested by the Company in the case of such loss, theft or destruction, upon delivery of any indemnity bond or other agreement or security reasonably satisfactory to the Company or, in the case of such mutilation, upon surrender and cancellation of such certificate without the delivery of any indemnity bond or other agreement or security, the Company will issue and deliver, in lieu of such lost, stolen, destroyed or mutilated certificate, a new certificate of like tenor and amount.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Investor as of the date hereof as follows:

2.1 Organization, Qualification and Corporate Power.

(a) The Company is a duly organized and validly existing corporation and its status is active under the laws of the State of Delaware and has all requisite corporate power and corporate authority for the ownership and operations of its properties and for the carrying on of its business as now conducted and as now proposed to be conducted. The Company is duly qualified and is in good standing as a foreign corporation and authorized to do business in all jurisdictions wherein the character of the property owned or leased, or the nature of the activities conducted by it, makes such qualification or authorization necessary, except where the failure to so qualify or be so authorized would not have a material adverse effect on the Company's assets, business, prospects, liabilities, properties, condition (financial or otherwise) or results of operations taken as a whole (a "Material Adverse Effect"). The Company has all requisite corporate power and corporate authority to execute and deliver this Agreement and the Stockholders Agreement, to perform all of its obligations hereunder and thereunder, and to issue, sell and deliver Shares.

2.2 Authorization of Agreements, etc.

(a) The execution and delivery by the Company of this Agreement and the Stockholders Agreement, the performance by the Company of its obligations hereunder and thereunder, and the issuance, sale and delivery of the Shares have been duly authorized by all requisite corporate action and will not violate any of the terms and conditions of the Company's Certificate of Incorporation or Bylaws.

(b) The Shares have been duly authorized and, when issued, sold and delivered in accordance with this Agreement for the consideration expressed herein, will be validly issued, fully paid and nonassessable and will be free and clear of all liens, charges and encumbrances of any nature whatsoever except for restrictions on transfer under applicable federal and state securities laws.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

3.1 Each Investor severally represents and warrants to the Company that:

(a) it is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act and either (i) it was not organized for the specific purpose of acquiring the Shares, or (ii) each person who is an equity owner of the Investor is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act;

(b) it is the present intention that the Shares being purchased by such Investor are being acquired for such Investor's own account for the purpose of investment and not with a present view to or for sale in connection with any distribution thereof;

(c) such Investor understands that (i) the Shares have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof or Regulation D promulgated under the Securities Act, (ii) the Shares must be held indefinitely unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration, (iii) the Shares will bear a legend to such effect, and (iv) the Company will make a notation on its transfer books to such effect;

(d) such Investor understands that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities;

(e) no person has or will have, as a result of the transactions contemplated by this Agreement, any right, interest or valid claim against or upon such Investor for any commission, fee or other compensation as a finder or broker because of any act or omission of such Investor or any agent for such Investor;

(f) such Investor has full corporate or other power and authority to enter into and to perform this Agreement and the Stockholders Agreement in accordance with their terms;

(g) the execution of, and performance of the transactions contemplated by, this Agreement and the Stockholders Agreement are not in conflict with or will not result in any material breach of any terms, conditions or provisions of, or constitute a default under, its corporate charter, limited partnership agreement, or other organizational document, as applicable;

(h) such Investor has been furnished any and all materials relating to the Company and its activities, the Shares or anything set forth in this Agreement which it has reasonably requested;

(i) the Company and officers and directors have answered all inquiries that such Investor has put to them concerning the Company and its activities, the Company or any other matters relating to the Company and Shares;

(j) such Investor has sufficient knowledge and experience in evaluating and investing in companies similar to the Company in terms of the Company's stage of development so as to be able to evaluate the risks and merits of its investment in the Company and it is able financially to bear the risks thereof. **Such Investor understands and acknowledges that an investment in the Company entails a high degree of risk and that there can be no assurance that the Investor will not lose all or a part of its investment in the Company. Without limiting the generality of the foregoing, such Investor acknowledges that the First Closing will occur prior to the submission of the Proposal and that there can be no assurance that the Company will be able to submit the Proposal and, even if submitted, there can be no assurance that ICANN will award the .XXX top-level domain registry to the Company, either of which would have a Material Adverse Effect on the Company. Further, such Investor represents that it is able to financially bear any such loss;** and

(k) such Investor has carefully reviewed the Disclosure Memorandum attached as Exhibit B to this Agreement and understands the information set forth therein, including, without limitation, the disclosures under the heading "Risk Factors." Such Investor has not been furnished with any offering literature other than the Disclosure Memorandum and such Investor has relied only on the information contained therein. Furthermore, except as set forth in this

Agreement, no representations or warranties have been made to the Investor or to the Investor's advisers, by the Company, or by its officers and directors, with respect to the business of the Company, the financial condition of the Company, and/or the economic, tax, or any other aspects or consequences of a purchase of the Shares, and the Investor has not relied upon any information concerning the Company or the Shares, written or oral, other than contained in this Agreement and the Disclosure Memorandum. In addition, such Investor has not relied on the Company's business plan, or the contents of any presentation made by the Company's officers and directors to such Investor concerning the Company, its industry, its proposed business and prospects and other related matters, to the extent a business plan was delivered to or presentation was made to such Investor, in making an investment decision with respect to the Shares; it being acknowledged by the Investor that the business plan and presentation were for informational purposes only and was not intended to be relied upon and was not relied upon by the Investor in making an investment decision with respect to the Shares. In addition, the Investor has been represented by such legal and tax counsel and others selected by the Investor as the Investor has found necessary to consult concerning this transaction and to review and evaluate the tax, economic and other ramifications of an investment in the Company, including whether the acquisition of the Shares will result in any adverse tax consequences to the Investor. The Investor acknowledges and agrees that except as expressly set forth in this Agreement, no representation or warranty of any kind has been made by the Company, or any other person, with respect to any consequences relating to the business of or an investment in the Company.

ARTICLE 4

CONDITIONS TO THE OBLIGATIONS OF THE INVESTOR

The obligation of each Investor to purchase and pay for the Shares being purchased by it on each Closing Date is, at its option, subject to the satisfaction, on or before each such Closing Date of the following conditions:

4.1 Representations and Warranties to be True and Correct. The representations and warranties contained in Article 2 shall be true, complete and correct in all material respects on and as of such Closing Date with the same effect as though such representations and warranties had been made on and as of such date, except for changes contemplated or permitted by this Agreement.

4.2 Stockholders Agreement. The Company shall have executed and delivered the Stockholders Agreement in the form attached hereto as Exhibit A.

ARTICLE 5

CONDITIONS TO THE OBLIGATIONS OF THE COMPANY

The obligation of the Company to sell any of the Shares being sold by it on any Closing Date is, at its option, subject to the satisfaction, on or before each such Closing Date of the following conditions:

5.1 Representations and Warranties to be True and Correct. The representations and warranties contained in Article III shall be true, complete and correct in all material respects on and as of such Closing Date with the same effect as though such representations and warranties had been made on and as of such date.

5.2 Payment of Purchase Price. The Investor shall have delivered to the Company the full purchase price for all of the Shares to be purchased by the Investor on such Closing Date in accordance with the provisions of Section 1.1 hereof.

5.3 Litigation. No action or proceeding before any court or any other governmental agency shall have been instituted or threatened to restrain or prohibit the sale of the Shares to the Investor.

5.4 Stockholders Agreement. The Investor shall have executed and delivered the Stockholders Agreement in the form attached hereto as Exhibit A.

ARTICLE 6

MISCELLANEOUS

6.1 Expenses. Each party hereto will pay its own expenses in connection with the transactions contemplated hereby, whether or not such transactions shall be consummated, provided, however.

6.2 Survival of Agreements. All representations and warranties made herein or in any agreement, certificate or instrument required to be delivered to an Investor pursuant to the terms of this Agreement shall survive the execution and delivery of this Agreement, and the issuance, sale and delivery of the Shares and shall terminate on the one (1) year anniversary of the date of this Agreement.

6.3 Brokerage Indemnity. Each party hereto has represented that no person has or will have, as a result of the transactions contemplated by this Agreement, any right, interest or valid claim against or upon such party for any commission, fee or other compensation as a finder or broker. Each party hereto will indemnify and hold harmless the others against and in respect of any claim for brokerage or other commissions relative to this Agreement or to the transactions contemplated hereby, based in any way on agreements, arrangements or understandings made or claimed to have been made by such party with any third party.

6.4 Parties in Interest. All representations, covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

6.5 Notices. All notices, requests, consents, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, on the date of transmittal of services via telecopy to the party to whom notice is to be given (with a confirming copy delivered within 24 hours thereafter), or on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, or overnight mail via a nationally recognized courier providing a receipt for delivery and properly addressed as follows:

If to the Company:

2300 Yonge Street, Suite 907
P.O. Box 2326

Toronto, Ontario M4P 1E4

If to the Investors: to the address set forth on Schedule I hereto.

Any party may change its address for purposes of this paragraph by giving notice of the new address to each of the other parties in the manner set forth above.

6.6 Governing Law; Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida for all purposes and in all respects, without regard to the conflict of law provisions of such state. Each party hereto agrees to submit to the personal jurisdiction and venue of the state and federal courts located in Miami-Dade County, Florida, for a resolution of all disputes arising in connection with the terms and provisions of this Agreement. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THAT THEY MAY HAVE TO A TRIAL BY JURY, THIS WAIVER BEING A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT.

6.7 Entire Agreement. This Agreement, including the Exhibits, Schedules and related agreements attached as exhibits hereto, constitutes the sole and entire agreement of the parties with respect to the subject matter hereof. All Exhibits and Schedules hereto are hereby incorporated herein by reference.

6.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.9 Amendments and Waivers. This Agreement may be amended or modified, and provisions hereof may be waived, only with the written consent of the Company and holders of at least 66.66% of the outstanding Shares issued pursuant to this Agreement.

6.10 Severability. If any provision of this Agreement shall be declared void or unenforceable by any judicial or administrative authority, the validity of any other provision and of the entire Agreement shall not be affected thereby.

6.11 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting any term or provision of this Agreement.

6.12 Definition of "Person". As used in this Agreement, the term "Person" shall mean an individual, corporation, trust, partnership, limited liability company or partnership, joint venture, unincorporated organization, governmental authority or any agency or political subdivision thereof, or other entity.

NOW THEREFORE, the Company and the Investors have executed this Securities Purchase Agreement as of the date first above written.

ICM REGISTRY, INC.

By: _____
Name: _____
Title: _____

INVESTOR:

By: _____
Name: _____
Title: _____

Signature Page to Securities Purchase Agreement

Schedule I

<u>Investors</u> [Name/Address of Investor]	<u>Dollar</u> <u>Investment</u>	<u>Number of Shares</u>
1 st Closing		
2 nd Closing		
3 rd Closing		
TOTAL	_____	_____