

.COOP SPONSORED TLD AGREEMENT

This SPONSORED TLD AGREEMENT (this "Agreement") is entered into as of _____, 2007 by and between Internet Corporation for Assigned Names and Numbers, a California nonprofit public benefit corporation, and DotCooperation LLC, a Delaware limited liability company.

ARTICLE I INTRODUCTION

Section 1.1 Effective Date. The Effective Date for purposes of this Agreement shall be the date first written above, and shall be concurrent with the termination of the existing sponsored TLD agreement between the Sponsor (as defined below) and ICANN for the TLD, which will be superseded and replaced in its entirety by this Agreement.

Section 1.2 Top-Level Domain. The Top-Level Domain to which this Agreement applies is .coop ("TLD").

Section 1.3 Designation as Sponsor. Upon the Effective Date, until the Expiration Date as defined in Section 4.1 hereof, ICANN hereby designates DotCooperation LLC as the sponsoring organization for the sponsored TLD ("Sponsor"). ICANN hereby delegates to Sponsor the authority to develop policies for the sponsored TLD consistent with the requirements of Section 3.1(g) of this Agreement and the provisions set forth in Appendix S of this Agreement.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Due Organization; Authorization and Execution by Sponsor. Sponsor is a limited liability company, duly organized, validly existing and in good standing under the laws of Delaware, and Sponsor has all requisite power and authority to enter into this Agreement. All corporate approvals and actions necessary for the entrance by Sponsor into this Agreement have been obtained and this Agreement has been duly and validly executed and delivered by Sponsor.

Section 2.2 Due Organization; Authorization and Execution by ICANN. ICANN is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of California. ICANN has all requisite corporate power and authority to enter into this Agreement. All corporate approvals and actions necessary for the entrance by ICANN into this Agreement have been obtained and this Agreement has been duly and validly executed and delivered by ICANN.

ARTICLE III COVENANTS

Section 3.1 Covenants of Sponsor. Sponsor covenants and agrees with ICANN as follows:

(a) Preserve Security and Stability.

(i) ICANN Temporary Specifications or Policies. Sponsor shall comply with and implement all specifications or policies established by the ICANN Board of Directors on a temporary basis, if adopted by the ICANN Board of Directors by a vote of at least two-thirds of its members, so long as the ICANN Board of Directors reasonably determines that immediate temporary establishment of a specification or policy on the subject is necessary to maintain the Stability or Security (as defined in Section 3.1(d)(iv)(G)) of Sponsor Services or the DNS ("Temporary Specification or Policies"). Such proposed specification or policy shall be as narrowly tailored as feasible to achieve those objectives. In establishing any specification or policy under this provision, the ICANN Board of Directors shall state the period of time for which the specification or policy is temporarily adopted and shall immediately implement the Consensus Policy development process set forth in ICANN's Bylaws. ICANN shall also issue an advisory statement containing a detailed explanation of its reasons for adopting the temporary specification or policy and why the Board believes the specification or policy should receive the consensus support of Internet stakeholders. If the period of time for which the specification or policy is adopted exceeds 90 days, the ICANN Board shall reaffirm its temporary adoption every 90 days for a total period not to exceed one year, in order to maintain such policy in effect until such time as it shall become a Consensus Policy as described in Section 3.1(b) below. If during such one year period, the temporary policy or specification does not become a Consensus Policy meeting the standard set forth in Section 3.1(b) below, Sponsor shall no longer be required to comply with or implement such temporary policy or specification.

(b) Consensus Policies.

(i) At all times during the term of this Agreement and subject to the terms hereof, Sponsor will comply with and shall cause Registry Operator to implement all applicable Consensus Policies found at <http://www.icann.org/general/consensus-policies.htm> as of the Effective Date and as may in the future be developed and adopted in accordance with ICANN's Bylaws and as set forth below.

(ii) "Consensus Policies" are those specifications or policies established (1) pursuant to the procedure set forth in ICANN's Bylaws and due process, and (2) covering those topics listed in Section 3.1(b)(iv) below. The GNSO Policy Development process and procedure set forth in

ICANN's Bylaws may be revised from time to time in accordance with ICANN's Bylaws, and any Consensus Policy that is adopted through such a revised process and covering those topics listed in Section 3.1(b)(iv) below shall be considered a Consensus Policy for purposes of this Agreement.

(iii) For all purposes under this Agreement, the policies identified at <http://www.icann.org/general/consensus-policies.htm> shall be treated in the same manner and have the same effect as "Consensus Policies."

(iv) Consensus Policies and the procedures by which they are developed shall be designed to produce, to the extent possible, a consensus of Internet stakeholders. Consensus Policies shall relate to one or more of the following: (1) issues for which uniform or coordinated resolution is reasonably necessary to facilitate interoperability, Security and/or Stability of the Internet or DNS; (2) functional and performance specifications for the provision of Sponsor Services (as defined in Section 3.1(d)(iii) below); (3) Security and Stability of the Sponsor database for the TLD; (4) Sponsor policies reasonably necessary to implement Consensus Policies relating to Sponsor operations or registrars; or (5) resolution of disputes regarding the registration of domain names (as opposed to the use of such domain names). Such categories of issues referred to in the preceding sentence shall include, without limitation the following topics, except to the extent policy-development authority is delegated to Sponsor by Appendix S, Part II:

(A) principles for allocation of registered names in the TLD (e.g., first-come, first-served, landrush procedures, timely renewal, holding period after expiration);

(B) prohibitions on warehousing of or speculation in domain names by registries or registrars;

(C) reservation of registered names in the TLD that may not be registered initially or that may not be renewed due to reasons reasonably related to (a) avoidance of confusion among or misleading of users, (b) intellectual property, or (c) the technical management of the DNS or the Internet (e.g., establishment of reservations of names from registration);

(D) maintenance of and access to accurate and up-to-date information concerning domain name registrations;

(E) procedures to avoid disruptions of domain name registration due to suspension or termination of operations by a Sponsor or a registrar, including procedures for allocation of responsibility for

serving registered domain names in a TLD affected by such a suspension or termination; and

(F) resolution of disputes regarding whether particular parties may register or maintain registration of particular domain names.

(v) Sponsor shall be afforded a reasonable period of time following notice of the establishment of a Consensus Policy or Temporary Specifications or Policies in which to comply with such policy or specification, taking into account any urgency involved.

(vi) In the event of a conflict between Sponsor Services (as defined in Section 3.1(d)(iii) below), on the one hand, and Consensus Policies developed in accordance with this Section 3.1(b) or any Temporary Specifications or Policies established pursuant to Section 3.1(a)(i) above, on the other hand, the Consensus Policies or Temporary Specifications or Policies shall control, notwithstanding any other provisions contained within this Agreement.

(vii) In the event that the Sponsor has a reasonable basis to believe that the established Consensus Policy is not relevant, or may represent an unreasonable burden to the Sponsored Community, Sponsor shall have the right to seek an exemption from ICANN. If ICANN declines the exemption, the Sponsor and ICANN shall utilize the process for resolution of disputes set forth in Article 5.

(c) Handling of Sponsor Data.

(i) Data Escrow. Sponsor shall ensure Registry Operator periodically deposits into a data escrow or mirror site all Registry Data in an electronic format. Sponsor Data, as used in this Agreement, shall mean the following: (1) data for domains sponsored by all registrars, consisting of domain name, server name for each nameserver, registrar id, updated date, creation date, expiration date, status information, and DNSSEC-related key material, to the extent DNSSEC is implemented by Sponsor; (2) data for nameservers sponsored by all registrars consisting of server name, each IP address, registrar id, updated date, creation date, expiration date, and status information; (3) data for registrars sponsoring registered domains and nameservers, consisting of registrar id, registrar address, registrar telephone number, registrar e-mail address, whois server, referral URL, updated date and the name, telephone number, and e-mail address of all the registrar's administrative, billing, and technical contacts; (4) domain name registrant data collected by the Sponsor from registrars as part of or following registration of a domain name; and (5) to the extent DNSSEC is implemented, the DNSSEC-related material necessary to sign the TLD zone (e.g., public and private portions of TLD zone key-signing keys and zone-signing keys). The escrow agent or

mirror-site manager, and the obligations thereof, shall be mutually agreed upon by ICANN and Sponsor and such escrow shall be maintained at Sponsor's or Registry Operator's expense on commercially reasonable standards that are technically and practically sufficient to allow a successor registry operator to assume management of the TLD. To this end, Registry Operator shall periodically deposit into escrow all Registry Operator Data on a schedule (not more frequently than weekly for a complete set of Sponsor Data, and, when the Registry shall have 20,000 or more registered domains, daily for incremental updates) and in an electronic format mutually approved from time to time by Sponsor and ICANN, such approval not to be unreasonably withheld by either party. In addition, Sponsor will deposit into escrow that data collected from registrars as part of offering Sponsor Services introduced after the Effective Date of this Agreement. The schedule, content, format, and procedure for escrow deposits shall be as reasonably established by ICANN from time to time and as set forth in Appendix 1 hereto. Changes to the schedule, content, format, and procedure may be made only with the mutual written consent of ICANN and Sponsor (which neither party shall unreasonably withhold) or through the establishment of a Consensus Policy as outlined in Section 3.1(b) above. The escrow shall be held under an agreement, substantially in the form of Appendix 2, as the same may be revised from time to time, among ICANN, Sponsor, Registry Operator and the escrow agent.

(ii) Personal Data. Sponsor shall notify registrars sponsoring registrations in the registry for the TLD of the purposes for which Personal Data (as defined below) submitted to Sponsor by registrars, if any, is collected, the intended recipients (or categories of recipients) of such Personal Data, and the mechanism for access to and correction of such Personal Data. Sponsor shall take and shall ensure Registry Operator takes reasonable steps to protect Personal Data from loss, misuse, unauthorized disclosure, alteration or destruction. Sponsor shall not use or authorize the use of Personal Data in a way that is incompatible with the notice provided to registrars. "Personal Data" shall refer to all data about any identified or identifiable natural person.

(iii) Bulk Zone File Access. Sponsor shall provide bulk access to the zone files for the Sponsor for the TLD to ICANN on a reasonable basis in the manner ICANN may specify from time to time. Bulk access to the zone files shall be provided to third parties on the terms set forth in the TLD zone file access agreement reasonably established by ICANN, which initially shall be in the form attached as Appendix 3 hereto. Changes to the zone file access agreement may be made upon the mutual written consent of ICANN and Sponsor (which consent neither party shall unreasonably withhold).

(iv) **Monthly Reporting.** Within 20 days following the end of each calendar month, Sponsor shall prepare and deliver to ICANN a report providing such data and in the format specified in Appendix 4. ICANN may audit Sponsor's books and records relating to data contained in monthly reports from time to time upon reasonable advance written notice, provided that such audits shall not exceed one per quarter. Any such audit shall be at ICANN's cost, unless such audit shall reflect a material discrepancy or discrepancies in the data provided by Sponsor. In the latter event, Sponsor shall reimburse ICANN for all costs and expenses associated with such audit, which reimbursement shall be paid together with the next Sponsor-Level Fee payment due following the date of transmittal of the cost statement for such audit. For purposes of this section, a "material discrepancy or discrepancies" shall be a discrepancy or discrepancies that, in the singular for the aggregate, result in an understatement in excess of 5% of the fees owed to ICANN by Sponsor under section 7.2.

(v) **Whois Service.** Sponsor shall provide such whois data as set forth in Appendix 5 and Part V of Appendix S.

(d) Sponsor Operations.

(i) **Registration Restrictions.**

(A) Sponsor shall be responsible for establishing policies, in conformity with the Charter, for the naming conventions within the sponsored TLD and for requirements of registration, consistent with Section 3.1(g).

(B) Sponsor shall be responsible for establishing procedures for the enforcement of applicable Charter restrictions on registration within the TLD, as described in more detail in the sponsored TLD Charter attached as Part I to Appendix S.

(C) Sponsor shall reserve, and not register any TLD strings (i) appearing on the list of reserved TLD strings attached as Appendix 6 hereto or (ii) located at <http://data.iana.org/TLD/tlds-alpha-by-domain.txt> for initial (i.e., other than renewal) registration at the second level within the TLD.

(ii) **Functional and Performance Specifications.** Functional and Performance Specifications for operation of the TLD shall be as set forth in Appendix 7 hereto, and shall address without limitation minimum requirements for DNS services; operation of the shared registration system; and nameserver operations. Sponsor shall keep and ensure Registry Operator shall keep technical and operational records sufficient to evidence compliance with such specifications for at least one year,

which records ICANN may audit from time to time upon reasonable advance written notice, provided that such audits shall not exceed one per quarter. Any such audit shall be at ICANN's cost.

(iii) Use of ICANN-Accredited Registrars. The Sponsor shall ensure that all Sponsor Services are provided through one or more ICANN-Accredited Registrars, except to the extent that (a) Appendix S – Part II delegates to Sponsor the authority to provide or to arrange for the provision of ENS Services by means other than ICANN-Accredited Registrars or (b) the Sponsor provides for a different means of providing Registry Services in accordance with its delegation of authority and with the consent of its community and ICANN, such consent not being unreasonably withheld. Sponsor shall ensure that Sponsor-Registrar Agreements are in conformance with Section 7.1 of this agreement.

(iv) Sponsor Services. Sponsor Services are, for purposes of this Agreement, defined as the following: (a) those services that are operations of the Sponsor critical to the following tasks: the receipt of data from registrars concerning registrations of domain names and name servers; provision to registrars of status information relating to the zone servers for the TLD; dissemination of TLD zone files; operation of the Sponsor zone servers; and dissemination of contact and other information concerning domain name server registrations in the TLD as required by this Agreement; (b) other products or services that the Sponsor is required to provide because of the establishment of a Consensus Policy (as defined in Section 3.1(b) above); (c) any other products or services that only a Sponsor is capable of providing, by reason of its designation as the Sponsor; (d) material changes to any Sponsor Service within the scope of (a), (b) or (c) above and (e) those Sponsor Services currently provided within the TLD by Sponsor as of the Effective Date and identified on Appendix S – Part VII.

(v) Process for Consideration of Proposed Sponsor Services. Following written notification by Sponsor to ICANN that Sponsor may make a change in a Sponsor Service within the scope of the preceding paragraph, ICANN will follow the procedure detailed at <http://www.icann.org/registries/rsep/rsep.html>.

(e) Fees and Payments. Sponsor shall pay the Sponsor-Level Fees to ICANN in accordance with Section 7.2 hereof.

(f) Cooperation. Sponsor shall cooperate with ICANN in efforts to promote and facilitate the security and stability of the Internet and maintain a reliable and stable DNS. To this end, Sponsor shall provide such data and assistance to ICANN as it may reasonably request from time to time.

(g) General Obligations of Sponsor to Sponsored Community. During the Term of this Agreement, Sponsor shall, in developing or enforcing standards, policies, procedures, or practices within the scope of its delegated authority with respect to the sponsored TLD:

- (i) publish such standards, policies, procedures, and practices so they are available to members of the sponsored TLD community;
- (ii) conduct its policy-development activities in a manner that reasonably provides opportunities for members of the sponsored TLD community to discuss and participate in the development of such standards, policies, procedures, or practices;
- (iii) maintain the representativeness of its policy-development and implementation process by establishing procedures that facilitate participation by a broad cross-section of the sponsored TLD community; and
- (iv) ensure, through published procedures, adequate opportunities for members of the sponsored TLD community to submit their views on and objections to the establishment or revision of standards, policies, procedures, and practices or the manner in which standards, policies, procedures, and practices are enforced;

Section 3.2 Covenants of ICANN. ICANN covenants and agrees with Sponsor as follows:

- (a) Open and Transparent. Consistent with ICANN's expressed mission and core values, ICANN shall operate in an open and transparent manner.
- (b) Equitable Treatment. ICANN shall not apply standards, policies, procedures or practices arbitrarily, unjustifiably, or inequitably and shall not single out Sponsor for disparate treatment unless justified by substantial and reasonable cause.
- (c) TLD Zone Servers. In the event and to the extent that ICANN is authorized to set policy with regard to an authoritative root server system, it will ensure that (i) the authoritative root will point to the TLD zone servers designated by Sponsor for the Sponsored TLD throughout the Term of this Agreement; and (ii) any changes to the TLD zone server designation submitted to ICANN by Sponsor or the authorized Registry Operator will be implemented by ICANN within seven days of submission.
- (d) Nameserver Changes. Sponsor or the authorized Registry Operator may request changes in the nameserver delegation for the Sponsored TLD. Any such request must be made in a format, and otherwise meet technical requirements, specified from time to time by ICANN. ICANN will use commercially reasonable

efforts to have such requests implemented in the Authoritative Root-Server System within seven calendar days of the submission.

(e) Root-zone Information Publication. ICANN's publication of root-zone contact information for the Sponsored TLD will include Sponsor and its administrative and technical contacts. Any request to modify the contact information for the Sponsor must be made in the format specified from time to time by ICANN.

ARTICLE IV TERM OF AGREEMENT

Section 4.1 Term. The initial term of this Agreement shall be ten (10) years from the Effective Date (the "Expiration Date"). Sponsor agrees that upon the earlier of (i) termination of this Agreement by ICANN in accordance with Article VI below or (ii) the Expiration Date, it will cease to be the Sponsor for the TLD, unless, with respect to termination under the foregoing clause (ii), Sponsor and ICANN agree on terms for renewal of the Agreement as set forth in Section 4.2 below prior to the Expiration Date.

Section 4.2 Renewal. This Agreement shall be renewed upon the expiration of the initial term set forth in Section 4.1 above, and following any renewal term, unless: (i) an arbitrator or court has determined that Sponsor has been in fundamental and material breach of Sponsor's obligations set forth in Sections 3.1(a), (b), (d) or (e); Section 5.2 or Section 7.3 despite notice and an opportunity to cure in accordance with Article VI hereof and (ii) following the final decision of such arbitrator or court, Sponsor has failed to correct the conduct found to constitute such breach. Provided, however, that Sponsor agrees that any renewal of this Agreement is conditioned on its negotiation of renewal terms acceptable to ICANN, including, but not limited to, provisions relating to Sponsor-level fees.

Section 4.3 Changes. While this Agreement is in effect, the parties agree to engage in good faith negotiations at regular intervals (at least once every three calendar years following the Effective Date) regarding possible changes to the terms of the Agreement, including to Section 7.2 regarding fees and payments to ICANN; provided, however that a failure by Sponsor to agree to an increase in registry fees shall not constitute a violation of this provision.

Section 4.4 Failure to Perform in Good Faith. In the event Sponsor shall have been repeatedly and willfully in fundamental and material breach of Sponsor's obligations set forth in Sections 3.1(a), (b), (d) or (e); Section 5.2 or Section 7.2, and arbitrators in accordance with Section 5.1(b) of this Agreement repeatedly have found Sponsor to have been in fundamental and material breach of this Agreement, including in at least three separate awards, then ICANN may request the arbitrators award such punitive, exemplary or other damages as they may believe appropriate under the circumstances.

ARTICLE V DISPUTE RESOLUTION

Section 5.1 Resolution of Disputes.

(a) Cooperative Engagement. In the event of a disagreement between Sponsor and ICANN arising under or out of this Agreement, either party may by notice to the other invoke the dispute resolution provisions of this Article V. Provided, however, that before either party may initiate arbitration as provided in Section 5.1(b) below, ICANN and Sponsor must attempt to resolve the dispute by cooperative engagement as set forth in this Section 5.1(a). If either party provides written notice to the other demanding cooperative engagement as set forth in this Section 5.1(a), then each party will, within seven calendar days after such written notice is deemed received in accordance with Section 8.6 hereof, designate a single executive officer as its representative under this Section 5.1(a) with full authority to act on such party's behalf to resolve the dispute. The designated representatives shall, within 2 business days after being designated, confer by telephone or in person to attempt to resolve the dispute. If they are not able to resolve the dispute during such telephone conference or meeting, they shall further meet in person at a location reasonably designated by ICANN within 7 calendar days after such initial telephone conference or meeting, at which meeting the parties shall attempt to reach a definitive resolution. The time schedule and process set forth in this Section 5.1(a) may be modified with respect to any dispute, but only if both parties agree to a revised time schedule or process in writing in advance. Settlement communications within the scope of this paragraph shall be inadmissible in any arbitration or litigation between the parties.

(b) Arbitration. Disputes arising under or in connection with this Agreement, including requests for specific performance, shall be resolved through binding arbitration conducted as provided in this Section 5.1(b) pursuant to the rules of the International Court of Arbitration of the International Chamber of Commerce ("ICC"). The arbitration shall be conducted in the English language and shall occur in Los Angeles County, California, USA only following the failure to resolve the dispute pursuant to cooperative engagement discussions as set forth in Section 5.1(a) above. There shall be three arbitrators: each party shall choose one arbitrator and, if the two arbitrators are not able to agree on a third arbitrator, the third shall be chosen by the ICC. The prevailing party in the arbitration shall have the right to recover its costs and reasonable attorneys' fees, which the arbitrators shall include in their awards. Any party that seeks to confirm or vacate an arbitration award issued under this Section 5.1(b) may do so only pursuant to the applicable arbitration statutes. In any litigation involving ICANN concerning this Agreement, jurisdiction and exclusive venue for such litigation shall be in a court located in Los Angeles County, California, USA; however, the parties shall also have the right to enforce a judgment of such a court in any court of competent jurisdiction. For the purpose of aiding the arbitration and/or preserving the rights of the parties during the pendency of an arbitration, the parties shall

have the right to seek a temporary stay or injunctive relief from the arbitration panel or a court, which shall not be a waiver of this agreement to arbitrate.

Section 5.2 Specific Performance. Sponsor and ICANN agree that irreparable damage could occur if any of the provisions of this Agreement was not performed in accordance with its specific terms. Accordingly, the parties agree that they each shall be entitled to seek from the arbitrators specific performance of the terms of this Agreement (in addition to any other remedy to which each party is entitled).

Section 5.3 Limitation of Liability. ICANN's aggregate monetary liability for violations of this Agreement shall not exceed the amount of Sponsor-Level Fees paid by Sponsor to ICANN within the preceding twelve-month period pursuant to Section 7.2 of this Agreement. Sponsor's aggregate monetary liability to ICANN for violations of this Agreement shall be limited to fees and monetary sanctions due and owing to ICANN under this Agreement. In no event shall either party be liable for special, indirect, incidental, punitive, exemplary, or consequential damages arising out of or in connection with this Agreement or the performance or nonperformance of obligations undertaken in this Agreement, except as provided pursuant to Section 4.4 of this Agreement. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, SPONSOR DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES RENDERED BY ITSELF, ITS SERVANTS, OR ITS AGENTS OR THE RESULTS OBTAINED FROM THEIR WORK, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE VI TERMINATION PROVISIONS

Section 6.1 Termination by ICANN. ICANN may terminate this Agreement if Sponsor fails to cure any fundamental and material breach of Sponsor's obligations set forth in Sections 3.1(a), (b), (d) or (e); Section 5.2 or Section 7.2 despite notice and an opportunity to cure in accordance with Section 6.4 within thirty calendar days after ICANN gives Sponsor written notice of the breach, which notice shall include with specificity the details of the alleged breach.

Section 6.2 Termination by Sponsor. Sponsor may terminate this agreement and its designation as Sponsor for the TLD pursuant to 120 days prior notice in writing to ICANN, and subject to compliance with section 6.5 hereof.

Section 6.3 Bankruptcy. This Agreement shall automatically terminate in the event Sponsor shall voluntarily or involuntarily be subject to bankruptcy proceedings and such proceeding is not dismissed within sixty (60) days.

Section 6.4 Notice; Opportunity to Cure. This Agreement may be terminated in the circumstances described in Section 6.1 above only following written notice to Sponsor and Sponsor's failure to cure within 30 days or such other reasonable prescribed time period, with Sponsor being given a reasonable opportunity during that time to initiate

arbitration under Section 5.1(b) to determine the appropriateness of termination under this Agreement. In the event Sponsor initiates arbitration concerning the appropriateness of termination by ICANN, Sponsor may at the same time request that the arbitration panel stay the termination until the arbitration decision is rendered, and that request shall have the effect of staying the termination until the decision or until the arbitration panel has granted an ICANN request for lifting of the stay.

Section 6.5 Transition of Sponsor upon Termination of Agreement. Upon any termination of this Agreement as provided in Sections 6.1 and 6.2, the parties agree to work cooperatively to facilitate and implement the transition of the Sponsor for the TLD in accordance with this Section 6.5. Sponsor shall agree to provide ICANN or any successor Sponsor authority that may be designated for the TLD with any data regarding operations of the Sponsor for the TLD necessary to maintain operations that may be reasonably requested in addition to that data escrowed in accordance with Section 3.1(c)(i) hereof.

Section 6.6 Rights in Data. Sponsor and Registry Operator shall not be entitled to claim any intellectual property rights in Sponsor Data. In the event that Sponsor Data is released from escrow as set forth in Section 3.1(c)(i), rights, if any, held by Sponsor or Registry Operator in the data shall automatically be licensed on a non-exclusive, irrevocable, royalty-free, paid-up basis to ICANN or to a party designated in writing by ICANN.

Section 6.7 No Reimbursement. Any and all expenditures, capital investments or other investments made by Sponsor in connection with this Agreement shall be at Sponsor's own risk and ICANN shall have no obligation to reimburse Sponsor for any such expense, capital expenditure or investment. Sponsor shall not be required to make any payments to a successor Sponsor or registry operator by reason of Sponsor fees paid to Sponsor prior to the effective date of (i) any termination or expiration of this Agreement or (ii) transition of the Sponsor, unless any delay in transition of the Sponsor to a successor operator shall be due to the actions of Sponsor. Resolution of any dispute concerning such delays will be governed by the Rules of Dispute as described in section 5.1.

ARTICLE VII SPECIAL PROVISIONS

Section 7.1 Sponsor-Registrar Agreement.

(a) Access to Sponsor Services. Sponsor shall make access to Sponsor Services, including the shared registration system, available to ICANN-accredited registrars. The criteria for the selection of Registrars shall be set forth in Appendix S, Part IV. Following execution of the Sponsor-Registrar Agreement, provided registrars are in compliance with such agreement, operational access to Sponsor Services, including the shared registration system for the TLD. Such nondiscriminatory access shall include without limitation the following:

- (i) All registrars (including any registrar affiliated with Sponsor) can connect to the shared registration system gateway for the TLD via the Internet by utilizing the same maximum number of IP addresses and SSL certificate authentication;
- (ii) Sponsor has made the current version of the registrar toolkit software accessible to all registrars and has made any updates available to all registrars on the same schedule;
- (iii) All registrars have the same level of access to customer support personnel via telephone, e-mail and Sponsor 's website;
- (iv) All registrars have the same level of access to Sponsor resources to resolve Sponsor/registrar or registrar/registrar disputes and technical and/or administrative customer service issues;
- (v) All registrars have the same level of access to data generated by Sponsor to reconcile their registration activities from Sponsor's Web and ftp servers;
- (vi) All registrars may perform basic automated registrar account management functions using the same registrar tool made available to all registrars by Sponsor; and
- (vii) The shared registration system does not include, for purposes of providing discriminatory access, any algorithms or protocols that differentiate among registrars with respect to functionality, including database access, system priorities and overall performance.

Such Sponsor-Registrar Agreement may be revised by Sponsor from time to time, provided however, that any such revisions must be approved in advance by ICANN. Such approval will be provided in a timely manner and shall not be unreasonably withheld.

(b) Sponsor Shall Not Act as Own Registrar. Sponsor shall not act as a registrar with respect to the TLD. This shall not preclude Sponsor from registering names within the TLD to itself through a request made to an ICANN-accredited registrar.

(c) Restrictions on Acquisition of Ownership or Controlling Interest in Registrar. Registry Operator shall not acquire, directly or indirectly, control of, or a greater than fifteen percent ownership interest in, any ICANN-accredited registrar, without ICANN's prior approval in writing, which approval shall not be unreasonably withheld.

Section 7.2 Fees to be Paid to ICANN.

(a) Payment Schedule. Sponsor shall pay to ICANN either the annual Fixed Sponsor-Level Fee specific in Section 7.2(b) or the quarterly Sponsor-Level Transaction Fees specified in Sections 7.2(c) to an account designated by ICANN. If applicable, the Fixed Sponsor-level Fee shall be paid by the 20th day following the end of the relevant fiscal year. Any Sponsor-Level Transaction Fees, and payments pursuant to Section 7.2(d), if any, shall be paid, by the 20th day following the end of each calendar quarter (i.e., on April 20, July 20, October 20 and January 20 for the calendar quarters ending March 31, June 30, September 30 and December 31) of the year to an account designated by ICANN.

(b) Fixed Sponsor-Level Fee. The fixed annual fee shall be based on the level of registered names within the TLD as of 30 June of each year as follows: if fewer than 5,000 registered names, the annual Registry Operator-Level Fee is \$500; if 5,000 or more registered names, but fewer than 50,000, the annual Registry Operator-Level Fee is \$5,000. If the registry for the TLD shall have 50,000 or more registered names as of such date, Sponsor shall be subject to a Registry Operator-Level Transaction Fee for each fiscal quarter as outlined in Section 7.2(c) below.

(c) Sponsor-Level Transaction Fee. If applicable as provided in Section 7.2(b) above, Sponsor shall pay ICANN a Registry-Level transaction fee in an amount equal to US\$0.75 for each annual increment of an initial or renewal (including renewals associated with transfers from one ICANN-accredited registry to another) domain name registration during the calendar quarter to which the Registry-Level Transaction Fee pertains.

(d) Variable Sponsor-Level Fee. For fiscal quarters in which ICANN does not collect a variable accreditation fee from all registrars, upon receipt of reasonable notice in writing from ICANN of not less than 45 days, Sponsor shall pay ICANN a Variable Sponsor-Level Fee. The fee will be calculated by ICANN, paid to ICANN by the Sponsor in accordance with the Payment Schedule in Section 7.2(a), and the Sponsor will invoice and collect the fees from the registrars who are party to a Sponsor-Registrar Agreement with Sponsor. The fee will consist of two components; each component will be calculated by ICANN for each registrar.

(i) The transactional component of the Variable Registry-Level Fee shall be specified by ICANN in accordance with the budget adopted by the ICANN Board of Directors for the relevant fiscal year but shall not exceed US\$0.25.

(ii) The per-registrar component of the Variable Sponsor-Level Fee shall be specified by ICANN in accordance with the budget adopted by the ICANN Board of Directors for each fiscal year, but the sum of the per registrar fees calculated for all registrars shall not exceed the total Per-Registrar Variable funding established pursuant to the approved 2004-2005 ICANN Budget.

(e) Interest on Late Payments. For any payments ten days or more overdue, Sponsor shall pay interest on late payments at the rate of 1.5% per month or, if less, the maximum rate permitted by applicable law.

ARTICLE VIII MISCELLANEOUS

Section 8.1 Indemnification of ICANN. Sponsor shall indemnify, defend, and hold harmless ICANN (including its directors, officers, employees, and agents) from and against any and all claims, damages, liabilities, costs, and expenses, including reasonable legal fees and expenses, arising out of or relating to: (a) the selection of Sponsor to sponsor the Registry TLD; (b) the entry of this Agreement; (c) establishment or operation of the Registry for the TLD; (d) Sponsor Services; (e) collection or handling of Personal Data by Sponsor or the Registry Operator; (f) any dispute concerning registration of a domain name within the domain of the TLD for the Sponsor; and (g) duties and obligations of Sponsor in operating the sponsored TLD; provided that, with respect to item (g) only, Sponsor shall not be obligated to indemnify, defend, or hold harmless ICANN to the extent the claim, damage, liability, cost, or expense arose due to a breach by ICANN of any obligation contained in this Agreement. For avoidance of doubt, nothing in this Section 8.1 shall be deemed to require Sponsor to reimburse or otherwise indemnify ICANN for the costs associated with the negotiation or execution of this Agreement, or with the monitoring or management of the parties' respective obligations under this Agreement. Further, this section shall not apply to any request for attorney's fees in connection with any litigation or arbitration between or among the parties.

Section 8.2 Indemnification Procedures. If any third-party claim is commenced that is indemnified under Section 8.1 above, notice thereof shall be given to ICANN as promptly as practicable. Sponsor shall be entitled, if it so elects, in a notice promptly delivered to ICANN, to immediately take control of the defense and investigation of such claim and to employ and engage attorneys reasonably acceptable to the indemnified party to handle and defend the same, at the indemnifying party's sole cost and expense, provided that in all events ICANN shall be entitled to control at its sole cost and expense the litigation of issues concerning the validity or interpretation of ICANN policies or conduct. ICANN shall cooperate, at its own cost, in all reasonable respects with Sponsor and its attorneys in the investigation, trial, and defense of such claim and any

appeal arising therefrom; provided, however, that the indemnified party may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such claim and any appeal arising therefrom. No settlement of a claim that involves a remedy affecting ICANN other than the payment of money in an amount that is indemnified shall be entered into without the consent of ICANN. If Sponsor does not assume full control over the defense of a claim subject to such defense in accordance with this Section, Sponsor may participate in such defense, at its sole cost and expense, and ICANN shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Sponsor.

Section 8.3 No Offset. All payments due under this Agreement shall be made in a timely manner throughout the term of this Agreement and notwithstanding the pendency of any dispute (monetary or otherwise) between Sponsor and ICANN.

Section 8.4 Use of ICANN Name and Logo. ICANN grants to Sponsor a non-exclusive royalty-free license to state that it is designated by ICANN as the Sponsor for the Sponsored TLD and to use a logo specified by ICANN to signify that Sponsor is an ICANN-designated Sponsoring authority. This license may not be assigned or sublicensed by Sponsor.

Section 8.5 Assignment and Subcontracting. Any assignment of this Agreement shall be effective only upon written agreement by the assignee with the other party to assume the assigning party's obligations under this Agreement. Moreover, neither party may assign this Agreement without the prior written approval of the other party. Notwithstanding the foregoing, ICANN may assign this Agreement (i) in conjunction with a reorganization or re-incorporation of ICANN, to another nonprofit corporation organized for the same or substantially the same purposes, or (ii) as may be required pursuant to the terms of that certain Memorandum of Understanding between ICANN and the U.S. Department of Commerce, as the same may be amended from time to time. Sponsor must provide notice to ICANN of any subcontracting arrangements, and any agreement to subcontract portions of the operations of the TLD must mandate compliance with all covenants, obligations and agreements by Sponsor hereunder. Any subcontracting of technical operations shall provide that the subcontracted entity become party to the data escrow agreement mandated by Section 3.1(c)(i) hereof.

Section 8.6 Amendments and Waivers. No amendment, supplement, or modification of this Agreement or any provision hereof shall be binding unless executed in writing by both parties. No waiver of any provision of this Agreement shall be binding unless evidenced by a writing signed by the party waiving compliance with such provision. No waiver of any of the provisions of this Agreement or failure to enforce any of the provisions hereof shall be deemed or shall constitute a waiver of any other provision hereof, nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 8.7 No Third-Party Beneficiaries. This Agreement shall not be construed to create any obligation by either ICANN or Sponsor to any non-party to this Agreement, including any registry operator, registrar or registered name holder.

Notices, Designations, and Specifications. All notices to be given under or in relation to this Agreement shall be given either (i) in writing at the address of the appropriate party as set forth below or (ii) via facsimile or electronic mail as provided below, unless that party has given a notice of change of postal or email address, or facsimile number, as provided in this agreement. Any change in the contact information for notice below shall be given by the party within 30 days of such change. Any notice required by this Agreement shall be deemed to have been properly given (i) if in paper form, when delivered in person or via courier service with confirmation of receipt or (ii) if via facsimile or by electronic mail, upon confirmation of receipt by the recipient's facsimile machine or email server, provided that such notice via facsimile or electronic mail shall be followed by a copy sent by regular postal mail service within two (2) business days. Whenever this Agreement shall specify a URL address for certain information, Sponsor shall be deemed to have been given notice of any such information when electronically posted at the designated URL. In the event other means of notice shall become practically achievable, such as notice via a secure website, the parties shall work together to implement such notice means under this Agreement.

If to ICANN, addressed to:

Internet Corporation for Assigned Names and Numbers
4676 Admiralty Way, Suite 330
Marina Del Rey, California 90292
Telephone: 1/310/823-9358
Facsimile: 1/310/823-8649
Attention: President and CEO
With a Required Copy to: General Counsel
Email: as specified from time to time

If to Sponsor, addressed to:

President and Chief Executive Officer
DotCooperation LLC
1401 New York Avenue, N.W.
Suite 1100
Washington, District of Columbia 20005
Telephone: +1-202-383-5444
Facsimile: +1-202-347-1968
Email: phazen@ncba.coop; support@communicate.coop

Section 8.8 Language. Notices, designations, determinations, and specifications made under this Agreement shall be in the English language.

Section 8.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 8.10 Entire Agreement. This Agreement (including its Appendices, which form a part of it) constitutes the entire agreement of the parties hereto pertaining to the operation of the TLD and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties on that subject. In the event of a conflict between the provisions in the body of this Agreement and any provision in its Appendices, the provisions in the body of the Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

By: _____

[insert name of official]

[insert title of official]

Date:

DotCooperation LLC

By _____

Paul Hazen

President and Chief Executive Officer

Date: