



10 March 2010

Mr. Peter Dengate-Thrush
Chairman of the Board of Directors
Internet Corporation for Assigned Names and Numbers
4676 Admiralty Way, Suite 330
Marina del Rey, California 90292

Mr. Rod Beckstrom
President and Chief Executive Officer
Internet Corporation for Assigned Names and Numbers
4676 Admiralty Way, Suite 330
Marina del Rey, California 90292

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PURPOSES IN ANY ADVERSARIAL PROCEEDING**

Re: Final Resolution of Dispute Between ICM and ICANN

Dear Peter and Rod,

I regret that we have not yet been able to arrange a meeting and thought it prudent to once again reach out to you. Of course, I remain willing to meet with the Board or any Board members at a mutually convenient time. But in the event that we are unable to arrange such a meeting, I want to ensure that you and the Board have the most complete information possible before considering the Panel's decision and ICM's application at your meeting this Friday.

As you have noted in the past, ICM has always attempted to work collaboratively with ICANN in a manner beneficial to both parties. ICM truly believes in the ICANN model of private-sector led, community-based governance of the DNS. For this reason, ICM chose to pursue its claims against ICANN through the Independent Review Process established by ICANN's Bylaws. ICM's desire to work collaboratively with ICANN is profound and unwavering. Now that the IRP has concluded, ICM believes that a resolution of the remaining issues – in accordance with the declaration of the Panel – is in the best interests of both parties.

ICM has never wished to embarrass ICANN or to seek retaliation, only to protect its legitimate interests. Thus, ICM is seeking now only what it has always sought: an executed registry agreement.

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Prompt resolution of this matter is in our mutual interest. In light of the time that has passed since ICANN first approved ICM's application, ICM is understandably anxious to avoid further delays. Likewise, the question before the Board on Friday is straightforward: Will the Board accept or reject the declaration issued by a distinguished panel of jurists using ICANN's own process? Prolonged debate on that question will be divisive and will divert more resources and time from the very important issues on ICANN's agenda. If, as I hope and expect, the Board does respect the IRP process, it must also see that further delay would be in direct contradiction to the Panel's declaration that, following the 1 June vote, ICANN should have "proceeded to conclude an agreement with ICM on commercial and technical terms"

Thus, ICM is asking the Board to approve a resolution that calls for the expedited execution of a registry agreement with ICM, and that ICANN staff subsequently act to ensure the agreement is executed promptly. The draft agreement of 16 February 2007 reflects the terms as fully negotiated by the parties, and should therefore be finalized and executed. ICM agrees to waive any and all other claims it may have against ICANN, its current or past officers and directors, in any judicial forum, upon the execution of the registry agreement. This offer will remain open, until it is withdrawn by ICM, upon 24 hours written notice.

ICM sincerely hopes to work productively with ICANN towards the establishment of the .xxx TLD, and stands by its commitments to fulfill the obligations contained in the 16 February 2007 draft registry agreement. ICM has participated in good faith, not only in the dispute resolution process established by ICANN, but also in the RFP process itself, and sincerely hopes that ICANN will now abide by its processes and commitments. I personally remain ready to assist you or the Board in acting on this matter, and look forward to a positive outcome for the efforts exerted by both parties over these past many years.

Sincerely,

A handwritten signature in blue ink, appearing to be "SL", written in a cursive style.

Stuart Lawley
Chairman