

1 **RESOLUTION AUTHORIZING THE SUPPORT OF DOT VEGAS, INC'S.,**
2 **APPLICATION TO THE INTERNET CORPORATION FOR ASSIGNED NAMES AND**
3 **NUMBERS AND THE APPROVAL OF THE REVENUE SHARE AGREEMENT BY AND**
 BETWEEN THE CITY OF LAS VEGAS AND DOT VEGAS, INC., A NEVADA
 CORPORATION FOR CREATION OF THE .VEGAS TOP LEVEL DOMAIN.

4 WHEREAS, the City of Las Vegas (the "City") does fully support the Dot Vegas,
5 Inc's., (the Company) application to the Internet Corporation for Assigned Names and Numbers
6 ("ICANN") to establish the .vegas top level domain (".vegas TLD") and further, to support Dot
7 Vegas, Inc. as the designated applicant, operator and manager thereof; and

8 WHEREAS, Company is preparing to submit an application to the ICANN for
9 authorization to create, operate and manage a .vegas TLD within the Domain Name System
10 ("DNS") of the Internet; and

11 WHEREAS, the City and the Company both desire to enter into a revenue sharing
12 agreement ("Revenue Share Agreement") that will provide a new and ongoing revenue stream to the
13 City that will support the City in dealing with the priorities of preserving city jobs, sustaining critical
14 services and maintaining the City's fiscal integrity; and

15 WHEREAS, the City believes the .vegas TLD will increase and reinforce the
16 visibility of the City worldwide and will be an asset in marketing the City; and

17 WHEREAS, the City will be provided a schedule of .vegas domain names that will
18 be reserved for exclusive use by the City at no cost for a period of five (5) years from the launch
19 date of the .vegas TLD.

20 NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City
21 of Las Vegas hereby finds and determines that the support of the Company's application is in the best
22 interests of the City and all of its residents; and

23 RESOLVED FURTHER, that the City Council of the City of Las Vegas hereby
24 authorizes the City Manager to execute the letter in support of the Company's application, Exhibit
25 1 attached hereto and incorporated herein as a part of this Resolution, and such other documents
26 necessary to meet the City's obligation under the Revenue Share Agreement; and

27 RESOLVED FURTHER, that the City Council of the City of Las Vegas hereby
28 authorizes the Mayor to execute the Revenue Share Agreement, attached hereto as Exhibit 2 and

1 incorporated herein as a part of this Resolution.

2 THE FOREGOING RESOLUTION was passed, adopted and approved this _____
3 day of _____, 2010.

4 CITY OF LAS VEGAS

5
6 By _____
OSCAR B. GOODMAN, Mayor

7 ATTEST:

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9 BEVERLY K. BRIDGES, MMC _____ Date
City Clerk

10 APPROVED AS TO FORM:

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12 Robert S. Sylvain 1-6-10
Robert S. Sylvain _____ Date
Deputy City Attorney

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EXHIBIT 1

LETTER OF SUPPORT



Wednesday, January 20, 2010

Dot Vegas, Inc.
Attn: James E. Trevino, President
10161 Park Run Drive
Suite 150
Las Vegas, NV 89145

Re: Support for Dot Vegas, Inc.'s
Application to Establish and Operate the .vegas Top Level Domain

Dear Mr. Trevino:

Consistent with and under the authority of the resolution adopted on January 20, 2010 by the City Council of the City of Las Vegas, the City is pleased to extend its full support for Dot Vegas, Inc.'s, application to the Internet Corporation for Assigned Names and Numbers ("ICANN") to establish the .vegas top level domain (".vegas TLD") and further, to support Dot Vegas, Inc. as the designated applicant, operator and manager thereof.

Today, Las Vegas or "Vegas", as the City is referred to around the world, is rightfully recognized as one of the world's foremost holiday and convention destinations. This designation has not occurred by accident but through hard work and the dedication of many local agencies. As such, these efforts will continue to be a top priority of the Las Vegas community. The establishment and development of a .vegas TLD will make an invaluable contribution to the community's efforts.

We look forward to working with you as you move the application forward to a successful approval by ICANN. The City is firmly behind you in this endeavor.

Sincerely,

Elizabeth N. Fretwell
City Manager

CITY OF LAS VEGAS
400 STEWART AVENUE
LAS VEGAS, NEVADA 89101

VOICE 702.229.6011
TTY 702.386.9108
www.lasvegasnevada.gov

EXHIBIT 2

REVENUE SHARE AGREEMENT

THIS AGREEMENT entered into as of the date set forth below by and between Dot Vegas, Inc., a Nevada corporation ("Company"), and the City of Las Vegas ("City"), a municipal corporation within the State of Nevada, collectively defined as the Parties.

RECITALS

WHEREAS, Company is preparing to submit an application to the Internet Corporation for Assigned Names and Numbers ("ICANN") for authorization to create, operate and manage a .vegas top level domain (".vegas TLD") within the Domain Name System ("DNS") of the Internet; and

WHEREAS, Company has requested that the City provide a written letter of support of Company's .vegas TLD application and the City has agreed to provide said letter of support in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for valuable consideration including the covenants and agreements set forth herein, the Parties agree as follows:

1. Expression of Support: In accordance with a resolution adopted by and under the authority of the Las Vegas City Council, the City hereby expresses its full support for Dot Vegas Inc.'s application to ICANN for the creation of a .vegas TLD in the DNS, as well as Dot Vegas, Inc. as the designated applicant, operator and manager of said .vegas TLD. The City, represented by the Mayor [City Manager], will execute and deliver to Company a Council resolution of support in the form attached hereto as Exhibit "A". In consideration of the financial and other accommodations set forth in this Agreement, the City agrees that it will not endorse or otherwise support any competing application, if any, for the creation of a .vegas TLD.

2. Revenue Share: For and in consideration of the City's support set forth herein, Dot Vegas Inc. agrees and shall pay to the City the greater of (a) \$0.50 per registration year for each second level domain name (the "Domain Name(s)") registered in the .vegas TLD for which the Company collects domain name registration or renewal revenue; or (b) ten percent (10%) of the gross profits derived by the Company from domain name registrations, or renewals thereof (the "Revenue Share"). As used in this Agreement, "gross profits" shall be defined as gross revenues recognized from domain name registrations or renewals thereof, less fees paid for the provisioning of technical back-end services for the .vegas TLD, the cost of goods, insurance, co-marketing or other promotional expenses paid to registrars or other resellers of .vegas domain names, charge-backs, and domain name cancellations. The Revenue Share shall commence with the registration of the first Domain Name registered in the .vegas TLD and shall continue for the duration of Company's appointment by ICANN as the .vegas TLD registry manager, including any renewals of the original agreement between the Company and ICANN. The Revenue Share payment shall be disbursed to the City on or before the 15th day of the month for those Domain Names registered or renewed in the previous calendar month. The Revenue Share payment to the City shall be accompanied by a written statement (the "Revenue Share Statement") setting forth the calculations of the Revenue Share paid, including the total number of Domain Names registered or renewed in the previous month for which the Company recognized registration or

renewal revenue. If the City disputes any amounts shown in the Revenue Share Statement, the City shall notify the Company in writing of such dispute within thirty (30) days from the date of the Revenue Share Statement. The dispute statement shall include a general description of the dispute and documentation supporting the City's position.

The Company will retain at its principal place of business, for a period of three (3) years after the due date of each Revenue Share Statement all of the files, records and books of accounts prepared in the normal course of business which contain data reasonably required for the computation and verification of the amounts paid by the Company in connection with each such Revenue Share Statement. The Company will permit the City and its representatives, on reasonable notice, to audit at any reasonable times (but not more often than twice each fiscal year) all such files, records and books of accounts and to take extracts therefrom and make copies thereof for the purpose of verifying the correctness of the Revenue Share Statements provided by the Company hereunder. The City shall pay the cost of such audits. If any such audit reveals that the Company has underpaid the City, the Company will promptly pay the City the amount of the underpayment.

3. Reservation of Domain Names: Attached as Exhibit "B" to this Agreement is a schedule of domain names that the Parties agree will be reserved for use by the City (the "Reserve Domain Names"). The Reserve Domain Names shall be provided to the City at no cost for a period of five (5) years from the launch date of the .vegas TLD. No later than sixty (60) days prior to the end of such five (5) year term, the City shall give written notice to the Company of its intent to renew all or any of the Reserve Domain Names. Thereafter, the City shall pay the Company's established wholesale registration price for those Reserve Domain Names renewed by the City.

4. Responsibilities of the Parties: Except for the delivery of the support letter set forth above in Section 1, the City shall not have any responsibilities relating to the application for, establishment or operation of the .vegas TLD. Rather, the Company shall be solely responsible for all aspects of the preparation and submission of the ICANN application, as well as providing and contributing all financial, technical, customer support, personnel and operational resources necessary for the establishment, development and on-going operation of the .vegas TLD in accordance with Company's agreements with ICANN and all other third parties. The Company shall be solely responsible for compliance with all federal and state laws governing the .vegas TLD, as well as all policies and regulations imposed by ICANN and any other applicable governmental body.

5. Termination: This Agreement shall commence upon the date of execution hereof (the "Effective Date") and shall continue for the duration of Company's appointment by ICANN as the .vegas TLD registry manager, including any renewals of the original agreement between Company and ICANN. The City may terminate this Agreement only for "cause". As used herein, the term "for cause" shall mean and refer to:

(i) Company's failure to pay the Revenue Share as required hereunder, provided said termination shall be effective only if the City notifies Company of a default in payment and Company fails to cure said default within thirty (30) days from the date of Company's receipt of such default notice. In the event the amount of a particular payment is subject to dispute pursuant to Section 3 above, Company shall not be deemed

in default hereunder unless Company fails to make payment within thirty (30) days after the date of resolution of said dispute; or

(ii) Upon the institution by or against Company of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of the Company's debts, upon Company's making an assignment for the benefit of creditors, or upon Company's dissolution or ceasing to do business; or

(iii) Company's appointment by ICANN as registry manager for the .vegas TLD terminates for any reason.

6. Independent Contractor: The Parties expressly acknowledge that the Parties hereto are independent entities and nothing contained in this Agreement shall be construed to create an agency, partnership, joint venture, employment, or any other relationship unless the Parties shall expressly provide to the contrary. Each Party shall be responsible for its own employees and expenses, including payment of all federal, state and local employment taxes.

7. Indemnification: Company shall defend and indemnify the City, against any and all liabilities, claims, suits, other legal actions and proceedings, demands, damages, losses, costs and expenses of any kind or nature, including, without limitation, reasonable legal fees and expenses, arising out of or otherwise relating to the operation of the .vegas TLD registry. In such event, Company shall within ten (10) business days of its receipt of the notice of the claim or demand, assume the entire control of the defense, compromise or settlement of the matter, including, at Company's expense, employment of counsel of Company's choice. The City shall reasonably cooperate with Company in the defense of any such claims.

8. Assignment; Survival of Agreement: Company may assign this Agreement, including its rights and obligations hereunder provided the assignee hereof unconditionally agrees in writing to assume, observe, and perform all of Company's obligations set forth herein. Likewise, the City may assign, pledge or otherwise encumber its rights to receive payments hereunder, but shall not assign any of its other rights or obligations in a manner which may adversely impact Company's rights to manage and administer the .vegas TLD.

9. Governing Law; Venue: This Agreement shall be subject to, and governed by, the laws of the State of Nevada. The Parties agree that only the courts of the State of Nevada shall have jurisdiction over this Agreement and over any controversies arising out of this Agreement. The Parties further agree and expressly consent to the exclusive personal jurisdiction of and venue in a court of competent jurisdiction located in Clark County, State of Nevada. If either party hereto shall breach any of the terms hereof, such party shall pay to the non-defaulting party all of the non-defaulting party's costs and expenses, including attorneys' fees and costs, incurred by such party in enforcing the terms of this Agreement.

10. Notices: All notices shall be given in writing and delivered (a) personally to the recipient by a recognized courier service which documents remittance and receipt dates, or (b) by certified mail, return receipt requested, to the address designated by a Party hereto in writing to the other Party.

11. Disclosure of Owners and Principals: Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, Company warrants that it has disclosed on the Disclosure of Ownership/Principals, Exhibit "C" attached hereto and incorporated herein as a part hereof, all of the persons or entities holding more than 1% ownership interest in Company, and all of the principals of Company. During the term hereof, Company shall notify the City in writing of any material change in the above disclosure within 15 days of such change.

IN WITNESS WHEREOF, the Parties have executed this Agreement on this ____ day of January, 2010.

CITY OF LAS VEGAS ("CITY")

By: _____
OSCAR B. GOODMAN, Mayor

ATTEST

BEVERLY K. BRIDGES, MMC
City Clerk

APPROVED AS TO FORM

Robert S. Sylvain 1-6-10
ROBERT S. SYLVAIN
Deputy City Attorney

Date

DOT VEGAS, INC ("COMPANY")

JAMES E. TREVINO, President

ACKNOWLEDGMENTS

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this _____ day of _____, 2010, personally appeared before me,
the undersigned, a Notary Public in and for the County of Clark, State of Nevada, OSCAR B.
GOODMAN, who acknowledged that he executed the above instrument.

NOTARY PUBLIC, in and for said
County and State

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this _____ day of _____, 2010, personally appeared before me,
the undersigned, a Notary Public in and for the County of Clark, State of Nevada,
_____, who acknowledged that he executed the above instrument.

NOTARY PUBLIC, in and for said
County and State