Network Participation Agreement

General Terms

This Network Participation Agreement (this “Agreement”) sets forth the terms and conditions pursuant to which the subject school (the “School”) is entitled to participate in the Educational Network (the “Network”) of Channel One, LLC (“Channel One”). The term of this Agreement shall be a period of three full school years, plus the partial school year in which installation occurs, (the “Initial Term”), subject to the extension (the “Renewal Term”) as hereinafter set forth. Channel One reserves the right to modify the terms and conditions of this Agreement at any time and without prior notice. By continuing to make use of the Network, the School agrees in advance to the current and future terms and conditions. This Agreement will be made available online at www.channelone.com.

A. Introduction and Definitions

Channel One will provide to the School educational programming and equipment services, which comprise the Network as outlined in this Agreement.

Capitalized terms used in this Agreement shall have the meanings ascribed to below unless otherwise defined herein.

“Channel One News” shall mean that daily 12-minute newscast specifically designed by Channel One for middle school and high school students, which will include up to two minutes of commercial content.

“Channel One Connection” shall mean that instructional support programming for staff members of the School to utilize in support of daily lessons for a period of up to one year from the date of transmission via satellite to the School.

“Equipment” shall mean any and all equipment provided by Channel One that is used in connection with the broadcast of Channel One News, including without limitation that satellite transmission receiving/storing system, including any digital head end receiver units (“DRHE”) which receive the Network’s programs, any KU Band Satellite dishes, television sets and other display convertors in certain classrooms, a preview monitor, and the wiring to connect the Equipment and create an intra-school television system, all as more specifically set forth on Exhibits A and B attached hereto, which exhibits are subject to revision from time to time at Channel One’s sole discretion. Any and all Equipment provided by Channel One remains at all times the property of Channel One and is available for use by the School subject to the terms and conditions of this Agreement.

B. Channel One Undertakings

1) Channel One will provide television sets with screens of at least 19" for the School’s classrooms, not to exceed one set for each 23 students, plus one television set for program preview (the “Monitor”), one fixed position satellite dish, one DRHE unit, and the necessary wiring for such item, all as further described in Exhibit A. The School may elect not to have the Channel One Equipment installed in certain classrooms in order to accommodate: (1) teachers who do not wish to show Channel One News, (2) students who do not wish to view or whose parents do not wish them to view Channel One News, and/or (3) classrooms where School-owned
equipment is already in place. The number of television sets to be installed must be mutually agreeable to Channel One and the School.

2) Channel One will install the television sets in the classrooms in locations mutually agreeable to Channel One and the School, generally in accordance with the Network system overview attached as Exhibit B. Channel One will install all Equipment at no cost to the School and repair any areas damaged solely during installation on a “patch” basis.

3) Channel One will transmit Channel One News approximately 180 days per school year. The actual transmission dates selected by Channel One will be based on the days on which the largest numbers of schools nationwide are open.

4) Channel One will transmit Channel One News to the School, where it will automatically be stored on the DRHE not later than 6:00 a.m. Eastern Standard Time on each day of transmission, so that the School will have time to preview the newscast and determine whether or not it wishes to show Channel One News that day.

5) Each Channel One News broadcast will run for approximately twelve minutes and will include approximately two minutes of commercial content. The editorial content will include current events and news material of an educational nature intended to be of interest to middle school and high school students. The commercial content will be limited to materials suitable for such students and will be within the standards and guidelines attached as Exhibit C.

6) Channel One will also provide educational videos to the School that cover a variety of subjects. These videos comprise the service known as “Channel One Connection.” Channel One will transmit Channel One Connection to the School to be automatically stored on the DRHE. Channel One Connection programs will be transmitted to the School in accordance with the schedule posted online at www.channelone.com.

7) Channel One will provide the School via e-mail newsletter to registered recipients with periodic guides for Channel One News and periodic bulletins advising of special events to assist educators in using the Network to enhance the educational process.

8) Channel One will train at the time of Equipment installation the equipment operator(s) designated by the School to operate the Network’s Equipment.

9) Channel One will provide reasonable maintenance and service for the Equipment. Channel One may, from time to time and at Channel One’s sole discretion, exchange or replace any Equipment with equipment of comparable function. The School will be responsible for damages caused due to vandalism, tampering, theft, fire or neglect or by the school or other third parties working on behalf of the school (including, by means of example, roofers removing or damaging the satellite dish). Channel One, at its sole discretion, may remove any Equipment from the School which is not being used for its intended purpose.

10) Channel One will seek and solicit advice from staff members at the School through the feedback section online at www.channelone.com and via e-mail newsletter sent to registered recipients.

11) Channel One reserves the right to collect information on the usage of its equipment and programming on a school-wide basis and to use this data to improve support services, monitor
outages, , using the data for general business purposes, and to monitor program viewing compliance noted in the “School Undertakings” section set forth below.

12) Channel One will provide a toll-free telephone number to the School so that the School can easily provide suggestions, feedback and constructive criticism to Channel One regarding the Network’s programming as well as report any problems with the Equipment.

C. School Undertakings

1) The School agrees to permit Channel One to install, maintain and service the Equipment by providing access to the School from 3:00 p.m. to 12:00 a.m. while School is in session and from 8:00 a.m. to 5:00 p.m. when School is not in session.

2) The School agrees to provide a floor plan/blueprint of the School, on which the locations for the television sets will be designated.

3) Locations for the DRHE unit and all television sets must be within 12 feet of AC electrical power outlets. If electrical power outlets are not available within 12 feet, the School must provide new electrical power outlets before installation.

4) The School agrees to receive the Channel One News programs from Channel One and to show the entire daily newscast to students enrolled in grades six and above. The School will show Channel One News at a time or times of its choosing, provided that (1) Channel One News must be shown on at least 90% of the days that school is in session and Channel One News is broadcast, (2) Channel One News must be shown when students are present and seated in a homeroom or classroom setting (i.e. not before school, after school or during lunch) and (3) if Channel One News is not shown at a single time, it will be shown in accordance with the viewing schedule as described on the School Agreement Sign Up Form.

5) The School may not or allow any third party to copy any Channel One News program transmitted through the Network for any purpose without the prior permission of Channel One. The school may record Channel One Connection and Channel One News at their own cost and discretion for educational use within their school. These videos may be used for educational purposes for a period of one year from the date of transmission to the school.

6) The School agrees to provide at least one designated equipment operator at all times to operate this Equipment.

7) The School agrees to notify Channel One within 48 hours of any malfunction or other problem with the Equipment and to take reasonable precautions to protect the Equipment from vandalism, tampering, theft, fire and other hazards.

8) The School may add additional equipment to the Network at the School’s expense so long as such additional equipment does not interfere with the reception and viewing of the Network, as determined by Channel One. In the cases where such equipment causes interference with the reception or viewing of the Network, the School will be responsible for the repair costs.

9) The School agrees to maintain reasonable records showing its compliance with its Agreement with Channel One and will permit Channel One reasonable access to its premises, students, teachers and enrollment records by grade to monitor such compliance.
10) The School is responsible for obtaining zoning and building permits or waivers when required. This Agreement is not binding on Channel One unless the School furnishes the required zoning and building permits or waivers or satisfactory evidence that the permits or waivers are not required within 15 days prior to the scheduled installation date.

11) The School acknowledges that the coaxial cable used in installation may be exposed in certain areas and will not be covered by Channel One. The cable may be covered and the installation hardware may be aesthetically improved by the School at the School’s expense, so long as such covering and improvement do not interfere with the viewing and reception of the Network. In the cases where such improvements undertaken by the School cause interference with reception or viewing of the Network, the School will be responsible for repair costs. Channel One may offer to provide improvement services beyond use of the Equipment used in standard installations, such as use of special cabling and bolts or wall mounts for antennas. In this case, the School will be responsible for costs above the standard Equipment installation procedures.

12) Prior to installation, the School agrees to make a contact familiar with the school property and authorized by the principal available to Channel One in order for the parties to participate in the development of an installation plan. Such a plan typically takes from four to eight hours, depending upon the size of the school. The School further agrees to make its principal available to Channel One in order to approve the installation plan at the completion of the site survey. After approval, the installation plan cannot be altered without mutual agreement of Channel One and the School.

13) The School agrees to make every reasonable effort to provide to the Channel One DRHE an Ethernet connection to the school’s Internet service, and make all needed adjustments to the School’s firewall to allow Channel One to send an outbound log file via FTP to a Channel One data collection facility. Such FTP send will occur once per calendar day in the evening, and will consist of a small text file (normally 4Kb). Such log files help Channel One monitor the health and usage of the Network.

14) The School acknowledges that if, during the installation planning phase or during the installation, Channel One encounters asbestos in the School which interferes with installation, either the School or Channel One may terminate this Agreement. The School further acknowledges that the School must identify during the site survey any areas where asbestos may exist.

15) So long as Channel One News is shown by the School in accordance with the provisions of this Agreement, the School may use the equipment for other educational or other purposes, provided that the Equipment may not be used by the School to show any other news program, specifically designed for viewing by students in schools and which contains advertising, without the prior written approval of Channel One.

16) The School may, after the initial installation is complete, require all or part of the Equipment be relocated due to construction or changes to the School’s facility; provided, however, that the School shall, to the extent reasonably possible, provide Channel One with at least forty-five (45) days prior written notice of any contemplated construction or changes. Channel One will secure the necessary labor, transportation, and supplies to perform this work. The School will be responsible for all costs related to such services.
D. General

1) To qualify for the Network, a school must have at least 250 students in grades six through twelve (the “Qualified Students”). The School represents that it qualifies, and will continue to qualify, for the Network in accordance with these standards.

2) The School will participate in the Network for the Initial Term and any Renewal Term(s). The School Agreement will be automatically extended for successive three-school-year Renewal Terms without change of Equipment, unless the School or Channel One notifies the other to the contrary more than three months prior to the end of the Initial Term of this Agreement or any Renewal Term of this Agreement.

3) This Agreement does not require that all teachers use Channel One News or that all students or any particular student view Channel One News. The School may at its discretion develop appropriate procedures to accommodate students who do not wish to view Channel One News or whose parents do not wish them to view Channel One News.

4) Channel One will have no obligation to provide the Network to the School unless Channel One is providing the Network to high schools and middle schools in the United States.

5) The School agrees to notify Channel One if and when it does not show a Channel One News broadcast and to advise Channel One why it has declined to show a particular newscast so that Channel One may determine if problems in the editorial or advertising content need to be addressed. If the School does not consistently show Channel One News to Qualified Students (i.e., on at least 90% of the days the School is in session and Channel One News is transmitted), then Channel One may terminate this Agreement. Channel One agrees to use its reasonable best efforts to address the reasons why the School is not showing Channel One News prior to exercising Channel One’s right to terminate this Agreement under this Paragraph D5.

6) Channel One may terminate this Agreement upon the occurrence of any of the following events: (i) if the School breaches its obligations under this Agreement; (ii) if the number of Qualified Students in the School declines at any time during any three-year term of this Agreement from the number of Qualified Students at the beginning of the three-year term by more than 25% or falls below 250; (iii) if the satellite dish or any component of the receiving system or headend equipment is damaged, destroyed or stolen; (iv) if Channel One determines in its reasonable discretion that the number of television sets damaged, destroyed or stolen at the School is excessive; (v) if participation by the School in the Network violates any law, ordinance or regulation; (vi) if Channel One determines in its sole discretion that installing the School is not economically justifiable to Channel One; (vii) if Channel One ceases to provide the Network to other high schools or middle schools in the United States; or (viii) if the School shows Channel One News on fewer than 90% of the days on which the School is in session and Channel One News is transmitted.

7) Upon termination of this Agreement, Channel One shall have the right but not the obligation to remove the Equipment from the School at Channel One’s expense. Channel One will not be required to remove any wiring.

8) Channel One reserves the right to modify the terms and conditions of this Agreement at any time and without prior notice. By continuing to make use of the Network, the School agrees in advance to the current and future terms and conditions. No delay or omission on the part of any
party in exercising any right or privilege under this Agreement will operate as a waiver thereof, nor will any waiver on the part of either party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement nor will any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement.

9) The terms of this Agreement shall be binding upon and inure to the benefit of Channel One, the School and their respective successors and assigns. Channel One may assign this Agreement.
Exhibit A: The Channel One Network Equipment Chart Code

(A) External: On the roof of the School will be a satellite dish (A) mounted with a non-penetrating roof mount with a suitable LNB (low noise block down converter) for the reception of the satellite signal.

(B) Internal: The received signal will pass through coaxial cable to the DRHE equipment (B) located within 150 feet of the dish. The DRHE consists of multiple pieces of equipment housed in a locked tabletop cabinet. The pieces of housed equipment are:

   (C) The Satellite Receiver card (C) which tunes to and locks the system on the proper satellite transponder and receives/converts the satellite signal.

   (D) The Channel One Digital Video Recorder (DVR) which is the storage device on which the daily Channel One News program and Channel One Connection programming (sent monthly) is automatically stored.

   (E) Modulator -- The modulator (E) places the Channel One News signal on the proper channel for the School’s viewing.

   (F) Amplifier -- The video amplifier (F) boosts the signal’s output level to guarantee the highest quality signal throughout the school building

All of these components are locked into the cabinet and are serviced only by a Channel One designated technician.

Also within this cabinet will be the local inputs (M), RCA jacks baseband video & audio L/R for the school’s equipment (such as a school camcorder for announcements), if the school decides to provide those functions and equipment.

There are local output jacks (N), both baseband video & audio L/R, and RF coax cable that allow the school to record programming on a school-supplied DVD recorder or VCR recorder.

On the DRHE cabinet is an RF input jack (H) and channel trap that allows the school to deliver local analog cable TV channels to the classrooms for viewing on the classroom television sets. The cable TV service must be supplied by the local cable company. The channels are tuned using the TV set channels.

(J) The signal will pass through coaxial cable to the television sets in the classrooms. The television sets provided by Channel One will be custom designed 19” color units that will contain the necessary mechanism to be automatically controlled from the DRHE by use of a Pilot carrier generator (G) built into the DRHE. The television sets will be mounted to the wall or ceiling. At the discretion of Channel One, TV sets may be provided on TV carts.

Channel One can also provide a splitter at the TV set which provides an RF input jack (K) in each classroom for easy access by the teacher to simply plug in additional equipment, such as a DVD player provided by the school for viewing video on the classroom’s television set.

(L) The preview Monitor is located next to the DRHE (B) cabinet, and is used to display the Channel One menu screens, as well as any video being played out through the system.
Exhibit C: Channel One Network Advertising Policies and Guidelines

THE CHANNEL ONE NETWORK STANDARDS AND GUIDELINES TO GOVERN THE ADVERTISING THAT WILL APPEAR IN CHANNEL ONE PROGRAMMING.

1) Policy Statement

It is the policy of Channel One to present advertising which is truthful and tasteful and not misleading or deceptive. Channel One recognizes that it has a special responsibility to its middle school and high school audience because of its age and the educational environment in which the programming is viewed. Careful attention will be given to all guidelines to assure that practices and behavior that are inconsistent with the learning environment, as well as the community at large, will be avoided in commercial programming.

2) PRODUCTS AND/OR SERVICES THAT WILL NOT BE CONSIDERED FOR THE ADVERTISEMENTS DURING A CHANNEL ONE PROGRAM.

A. Abortion Clinics;
B. Alcoholic Beverages (including beer, wine and distilled spirits);
C. Contraceptive Products;
D. Firearms, Ammunition and Fireworks;
E. Foods and beverages that are inconsistent with Channel One’s healthy lifestyle initiatives, that currently include the following:
   i. All full sugar/high fructose corn syrup carbonated soft drinks (e.g., Coca-Cola and Pepsi)
   ii. All chocolate confections (e.g., Milky Way and Snickers)
   iii. All full fat menu items from quick service restaurants, (e.g., McDonald’s)
   iv. All full sugar breakfast cereals (e.g., Fruit Loops, Pops, Sugar Puffs)
   v. All full fat salty snacks (e.g., potato and corn chips)
   vi. All full fat cookies (e.g., Oreo’s)
   vii. All high sugar/caffeine energy drinks (e.g., Red Bull)
F. Gambling;
G. "Head Shops" or Other Establishments Where Activity Concentrates on Drug-Related Paraphernalia;
H. Lotteries;
I. Motion Pictures Rated "NC 17", "R" or "X" by the MPAA:
   i. Motion Pictures not rated by the MPAA will not be shown
   ii. Motion Pictures rated “PG-13” will only be shown to Channel One’s high school audience
J. Television shows rated “TV-MA” by the “TV Parental Guidelines”;

i. Television shows rated “TV 14” will only be shown to Channel One’s high school audience

K. Tampons or other Feminine Hygiene Products;

L. Political Advertisements;

M. Religious Time;

N. Solicitation of Funds; and

O. Tobacco Products (including cigarettes, cigars, pipe tobacco and "smokeless tobacco").

3) General Guidelines

Channel One reserves the right to accept or reject at any time advertising for any product or service submitted for airing over its facilities. The following general guidelines will be developed to aid sponsors in the development of appropriate advertising:

A. Audio/Visual Misrepresentation: Advertisements will avoid audio and video techniques that in any way misrepresent, distort, exaggerate or over-glomorize their attributes or functions.

B. Community Sensibilities: Advertising which belittles any group or person based on social, racial, ethnic or religious traits or because of age, gender or disability is unacceptable.

C. Comparative Advertising: Comparative advertising may not distort or exaggerate differences between competitive products or services or otherwise create a false, deceptive or misleading impression.

D. Controversial Issues: Advertising which takes a position on a controversial issue of public importance is unacceptable. A controversial issue of public importance is defined as one which involves matters having significant impact on society or its institutions and as to which there is a current public debate with substantial segments of the community taking opposing positions.

E. Criminal Activity: Advertising which promotes or accepts violence, crime or obscenity is unacceptable. Advertising may not contain the portrayal of specific detailed techniques involved in the commission of crimes, the use of weapons, the avoidance of detection, nor any other forms of anti-social behavior.

F. Dramatizations, Reenactments and Simulations: A commercial which utilizes a dramatization, reenactment or simulation must accurately depict the product, service or event involved.

G. Endorsements: Endorsements must reflect the honest opinions, beliefs, findings or experience of the endorser. Endorsements may not contain any claims that could not be substantiated if made directly by the advertiser.

H. Safety: Advertisements and products advertised must be consistent with generally recognized safety standards. All advertising that disregards normal safety precautions is unacceptable.
I. Subliminal Perception: Any advertising utilizing the technique of “subliminal perception” or any similar technique is unacceptable.

4) Development of Audience Specific Advertising

Although the ultimate responsibility of developing advertising rests with the individual sponsors, Channel One will encourage the development of specific messages that accomplish the following objectives:

A. Include a balanced representation of individuals from a variety of social, racial, ethnic or gender groups.

B. Provide positive role models for all members of the viewing audience.

C. Include and portray individuals with physical and mental impairments.

D. Place an emphasis on the importance of education and remaining in school.

E. Communicate strong messages against all forms of anti-social behavior, including drug use, violence, prejudice, etc.