



DATE: May 2, 2010  
TO: Commissioner Julian Tackett  
FROM: W. James Host  
RE: New contract with iHigh.com

The intent of this memo is to give you a firm guarantee for all media, merchandising and corporate marketing rights for the KHSAA for the years of:

- 2012-13
- 2013-14
- 2014-15
- 2015-16
- 2016-17

The guarantee will be based on the net amount of money you now receive from ad media and corporate partner related contracts which we estimate to be \$620,650. This estimate will be firmed up by an audit of all contracts in effect as of June 30, 2012 with the final amount to be agreed upon by both parties. iHigh.com agrees to take over all administrative rights of all media agreements with final approval for all agreements residing with the commissioner or his designee.

iHigh.com agrees to provide staff for the project to be called KHSAA Properties and that staff is to be paid out of iHigh.com revenue share. A General Manager of the project will be assigned to be the day-to-day coordinator with the KHSAA.

After the guarantee is paid, on a quarterly basis to KHSAA, KHSAA Properties (iHigh.com) will split adjusted gross revenues on a 50-50 basis with KHSAA with only direct costs to be deducted, agreed upon production costs of events that both partners agree on.

It is the intent of KHSAA Properties to teach all participant schools how to use the copyrighted iHigh.com Production Truck so that production costs will be eliminated and high school sports and events can be broadcast statewide.

It will be the intent of KHSAA Properties to video stream all KHSAA Championships and to initiate channels for:

- Marching Bands (to be worked out with KMEA)
- Debate Competition
- Specific Music Events
- Drum & Bugle Corp Competition
- Cheerleading
- Middle Schools
- and others

as well as to video all specific events of KHSAA like The Hall of Fame Induction, etc.



Adjusted gross revenue will include special AdScore revenue used by individual school members of KHSAA to help the schools in fundraising with AdScore's net revenue to be included in the revenue share with KHSAA. (How this works to be defined in a more definitive agreement.)

All net revenue received by KHSAA Properties for joint ventures dealing with KHSAA Championships with the Lexington Herald-Leader and WKYT-TV will be included in the adjusted gross revenues.

It is the intent of KHSAA Properties to guarantee all net revenues KHSAA now receives as of June 30, 2012 and to:

- Improve coverage of all KHSAA Championship events
- Provide coverage for events which receive no coverage outside of sports
- Increase dramatically the net revenues KHSAA receives
- Cut current expenses KHSAA has

In addition, we will begin the guarantee at the current net KHSAA revenue and guarantee an increase of \$10,000 per year of the 5 years versus the KHSAA Adjusted gross Revenue share, whichever is greater.

2012-2013 — \$620,650 (to be adjusted based on final audit of contracts).

2013-2014 — \$630,650

2014-2015 — \$640,650

2015-2016 — \$650,650

2016-2017 — \$660,650

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\$3,203,250

Initial value of contract \$3,203,250 for 5 years with option for renewal of 5 years at guarantee to be negotiated by the end of the 4th year of Agreement.

All contracts currently held by KHSAA will be honored by KHSAA Properties. All identification of iHigh.com platform will be called KHSAA TV Network.

The platform will also be available for all uses of KHSAA members like School Board meetings, etc.

I look forward to your feedback and to the presentation to the KHSAA Board at 8:30 am on May 23rd.