

PlayOn Sports: Proposal for 2 Pixellot Systems

Date: July 6, 2020

Background

Headquartered in Atlanta, GA, PlayOn! Sports ("PlayOn") is the nation's leading high school media company and live streams more sports events than any company in the world. In 2013, PlayOn! Sports and the National Federation of State High School Associations (NFHS.org) created the NFHS Network - a joint venture that aggregates the sports media and related rights of state high school athletic associations. By combining events from state associations with events produced through PlayOn! Sports School Broadcast Program (SBP), the NFHS Network has become one of the largest direct-to-consumer sports media enterprises in the nation. This year, the NFHS Network will stream more than 250,000 live sports events and is the clear market leader for fans across the country to watch live and on demand.

Product

The Pixellot system is a comprehensive hardware + software solution that enables automated production of live events. Once it is installed and calibrated, no people are needed to create live broadcasts.

Cost to School

PlayOn will provide TWO (2) Pixellot systems to your high school ("School") that will live stream athletic (and non-athletic) events held in the main basketball gymnasium and the football stadium. Under the terms of the Agreement, there will be no cost to your School for the use of the equipment, software, and services. **However, installation must be provided by PlayOn for a one-time cost of \$2,500.** PlayOn reserves the right to evaluate School venues for the capability to host the Pixellot systems before an agreement is finalized.

PlayOn Installation of Pixellot Systems

PlayOn will perform the installation of the Pixellot Systems and will coordinate with School to schedule the installation work. PlayOn will provide all required Cat6 ethernet cable required to install and operate the Pixellot Systems; in the event that School requires special cabling for any reason, then special cabling must be provided by the School. School agrees that all Internet connectivity requirements have been met prior to the start of the PlayOn Installation and that an administrator with IT responsibilities will be on site (or at minimum, available by phone) during the time when the installations are taking place. If School needs to reschedule or cancel a PlayOn Installation, School must provide notice to PlayOn at least 48 hours before originally scheduled installation time. Failure to provide sufficient notice may result in additional charges to School.

School agrees that PlayOn may use its own service providers to perform the PlayOn Installation so long as all such providers meet School requirements for entry to school venues. For the sake of clarity, School agrees that PlayOn is not required to work with any service providers that may be under agreement with School for facilities or IT work.

School agrees to remove, relocate, and reinstall, as appropriate, the Pixellot Systems in the event of construction within any of the venues denoted herein where a Pixellot System is installed.

Term of Contract

The term of the agreement is for five (5) school years. After the five-year initial contract period, your School may elect to stay in the contract for as long as desired under the same terms. Because PlayOn is providing these systems to your school district at no cost, we have to make sure we can earn back our investment, and we need enough time to do so. Our investment thesis rests on the ability to do that over 5 years. Without that ability, we would have to charge your district a cost of \$6,000 *per Pixellot system* to fund the cost of the equipment and software. We understand that school districts have limitations around multi-year agreements, particularly if it imposes a cost on a future school board. We have provided an "out clause" to school districts by way of the following: an early termination fee that states that if the contract is cancelled before the 5 years is up, there is a buyout of \$2,500 *per Pixellot system* that compensates us for our cost of removing, shipping, and finding a new school for the equipment. We will not prorate that cost – it is a flat fee in case your School elects to cancel for a non-contractual reason.

Equipment and Software Provided

All required equipment and software will be provided for each Pixellot system:

- Pixellot camera head
- Computer loaded with Pixellot software for recording, encoding, and streaming videos (includes all software upgrades)
- Automated production algorithms for supported sports; new sports will be added as released

- Score data device (wired connection) or OCR camera for graphics integration in video (PlayOn to determine)
- Protective cabinet for workstation, as needed
- Point to Point wireless internet base station for outdoor venues with no hardline internet

Streaming Services

Below are the basic network requirements required to operate the units on your School's IT platform. The recommended bandwidth minimum to stream an event is 10MB/sec of upload speed.

- We highly recommend adding the Pixellot computer to a **separate VLAN or a DMZ and assigning a static IP address**
- Whitelist all **outbound** HTTP/S traffic to **pixellot.tv**
- No inbound firewall rules are required
- No services will ever connect directly to host
- To publish video and manage the server, open these ports for **outbound traffic** to all IPs (see table on right):

REQUIRED			
PORT #	PROTOCOL	PURPOSE	APPLICATION
443	TCP+UDP*	Remote Management/video streaming	https, agent
123	TCP	Clock synchronization	NTP-clock sync
2088	UDP*	Video streaming backup	ZIXI broadcaster
RECOMMENDED			
PORT #	PROTOCOL	PURPOSE	APPLICATION
1402	TCP	Sportzcast (Score data integration tool)	
1403			

**Port 123 TCP and 443 TCP must be open for a Pixellot unit to stream. 443 UDP or 2088 UDP must also be open, but it does not require both.*

Ownership of the Equipment

PlayOn retains ownership of the equipment and the software. The equipment only works with the software, and the software will only broadcast to the NFHS Network. There is no inherent value to the equipment if your School is not broadcasting using the software and distributing the content to the NFHS Network.

Maintenance of the Equipment

PlayOn is responsible for the general health and welfare of the Pixellot Systems and will perform online system maintenance of all software that is installed on the units. PlayOn will handle all warranty claims on the equipment with the manufacturer and will provide School with proper containers for any equipment that needs to be returned to PlayOn for service. PlayOn will replace any broken units during the 5-year Initial Term. PlayOn is not obligated to replace any units that are destroyed by vandalism or due to negligence by School.

School Ownership of the Streamed Content

The Pixellot system's produced streams for all regular season sports events and school activities are the property of your School and all rights are reserved subject to School providing PlayOn with a worldwide, paid-up, royalty-free, sub licensable (directly and through multiple tiers) and transferrable license to reproduce, perform, transform and distribute the produced streams in any medium now existing or later developed. This license is exclusive, meaning School may not grant these rights to any other person or entity. The School has the right to manage the availability of the archived content to consumers as well as to use the content for other School-approved purposes (i.e., student news casts, season recap videos, etc.).

Broadcasting Exclusivity

School agrees to live broadcast all regular season sports events at all competition levels in the venue where the Pixellot Systems are installed (i.e., Varsity, Junior Varsity, etc.). School has the right to determine on-demand availability of regular season events through "blackout windows." School will not permit any third party to stream any regular season sports events that would be deemed competitive with PlayOn's activities. School may allow (at its discretion) third party local television coverage to broadcast regular season events. School will also broadcast any regular season event via the Pixellot System on the NFHS Network that is also broadcast on linear television.

School agrees that the Pixellot Systems will be used to broadcast all Postseason events via the Pixellot system installed in the venue where the event takes place if your School is a member of a NFHS Network-member State Association. In NFHS Network states, State Association media rights fees for State Postseason events produced by Pixellot Systems at School venues will be waived. In non-NFHS Network states, your School will be required to follow all State Association postseason media policies and will be responsible for any media rights fees to broadcast Postseason events.

Sports/Events that will be Broadcasted

- **Regular season** – all regular season games for the sports played in each venue at all levels: Varsity, JV, Freshman
- **Special events** – any special event in a venue (i.e. graduation) can be broadcasted
- **Playoffs** – all state playoffs that occur in your venues; no State Association rights fees have to be paid
- **Practices** – coaches can record any practices or team workouts; these events are set as “private” (not for public viewing)

Football, Soccer, Lacrosse, Basketball, and Volleyball all use the automated production technology to follow the action. For **Wrestling** a fixed field of view is established to cover one or more mats. The Pixellot technology also works for **Baseball** and **Softball** – requires the purchase of additional Pixellot systems, subject to PlayOn’s approval.

Economic Model

There are two ways that your School can earn revenue:

- Revenue sharing program from consumer subscriptions sold (will be described below)
- Advertising in school broadcasts – schools keep all revenue from any self-sold advertising

Consumer Subscription Platform Plans & Revenue Sharing:

Monthly Pass: \$10.99/ month

Annual Pass: \$69.99 for 12 months

Consumers can watch any content they want across the entire Network. Subscription prices for consumers are subject to change based on the policies of the NFHS Network.

Revenue sharing to School for online passes does not begin until Year 4 of Agreement because the equipment, software, and services are being provided at zero cost to your School.

Pass type	Monthly	Annual
Price to Consumer:	\$10.99	\$69.99
Method of Attribution:	10% of Net Revenue	100% over Base Cost
Starts When	Year 4	Year 4
Base Cost	N/A	\$50.00
Paid to School	\$.82/ month (for life of subscriber)	\$19.99 (one time)

During the first three years of the Term, School will not receive any revenue share for content produced under this Agreement. However, if your School wants to begin revenue sharing in Year 1 of the Agreement, a one-time fee of \$1,500 can be paid on a per school basis.

Advertising:

The simple explanation is that schools can sell sponsors and PlayOn can sell sponsors, and everyone keeps 100% of their own revenue. We make it easy for you – just send us the creative, we run the ads, and your School keeps any revenue from your school sponsors.

- School can run video pre-roll ads that will play before an event is viewed
- Graphics can be placed on 3 locations for advertising in the video (*see below*); graphics can be changed out by the school
- Display ads can be sold on school pages and school-video web pages

