

Who is AudioNet ?

AudioNet is the worlds first Broadcast Network on the Internet, that's who. We are just like your local cable company. The cable company licenses programming from about 100 different sources and offers a choice of about 50 to 75 television channels to its local trade market, or in some cases they will share content among several markets.. AudioNet licenses audio programming from hundreds of sources, and makes it available to the ENTIRE WORLD ! Better yet, unlike radio and television, we offer programming on demand. If you miss your favorite program during the day, you can listen to it on AudioNet that night ! With AudioNet, no ever has to miss their favorite program or show !

AudioNet is one of the most popular destinations on the Internet. People around the world know that when they want their choice of realtime and on demand audio programming there is only place to go, WWW.AudioNet.Com, the worlds first Broadcast Network on the Internet !

We offer them realtime broadcasts of radio stations such as KLIF Dallas, KFI Los Angeles, KOA Denver, XTRA San Diego, WQAM Miami, WJFK Washington DC, WCKY Cincinnati, with many more to come. Then there is the realtime broadcasts of exciting sporting events such as Texas A&M, University of Southern California, Baylor, Southern Methodist University college football, a growing schedule of professional football, baseball, basketball and hockey, and Indoor Soccer.

In addition to sports programming we offer them a complete choice of entertaining programming they can't get anywhere else like the Janice Malone Show, The Mark Cuban Show, Jeffrey Lyons Movie Reviews and Hollywood Reports, Medical Matters, Tech Talk, NetRadio, Geek Free Radio, Legal Matters, Net Radio, Celebrity Interviews with Michelle Pfeiffer, Patrick Swayze, Dustin Hoffman, George Foreman, Jennifer Flowers and much more. What's even more exciting is that AudioNet is doubling their content offerings every month, with new things being added every day. Listeners know to stop by and see whats new, and they do !

Thats right, AudioNet offers our users their choice of the programming they want and love, and its only on AudioNet!

Steve.

lets start with live on-demand audio of
our own 9 schools asap. Then, we'll
take a look at what else is out there.

Go get 'em !!
CL
CL

echo

Learfield/AudioNet Live Sports Propagation Agreement

Roles of the Parties

- AudioNet will provide a means for the Internet distribution of Learfield's live college sports properties. The propagation infrastructure will be controlled and operated by AudioNet. As a distributor of Learfield's on-line live sports properties, AudioNet will be responsible for propagating the RealAudio streams originating from Learfield's Jefferson City Internet point of presence.
- Learfield, and its Internet subsidiary, will provide live RealAudio college sports content to AudioNet for distribution via its Internet "Audio Mall." In addition to the live RealAudio content, Learfield will retain all editorial control of content placed on the "home pages" for each of its college sports properties.

? why not on demand?

MAKING PAGE ?

Responsibilities of AudioNet

(?) Dam:

- AudioNet will provide a minimum of 10,000 RealAudio propagation streams in aggregate to its customers.
- AudioNet will fully disclose its server log file activity reports to Learfield on a weekly basis for the full term of the operating agreement.
- AudioNet will provide initial technical support for RealAudio server and encoder setup at the Learfield Internet point of presence.
- ~~AudioNet will not sell merchandise on the Learfield sports property "home pages".~~

Outout clause

to our satisfaction

not a response

← Learfield retains all merchandising rights →

Responsibilities of Learfield

- Learfield will be solely responsible for contact and relations with the Universities and Colleges for which it currently hold audio broadcasting rights.
- Learfield will be solely responsible for all content of the "home pages" for its various sports properties.

3:00 -

- Learfield will include an AudioNet graphic on each page which contains a RealAudio link propagated by AudioNet. The graphic will be designed by AudioNet to Learfield specifications.
- Any promotion of Learfield's Live Internet Sports Multicasts will mention AudioNet as our Internet Distribution Provider.

Revenue Sharing

- Any advertising sales revenue for the Learfield Sports "home pages" will be shared between the two partners under the following guidelines:

1. Any ad revenue procured by Learfield will be split 80% to Learfield, 20% to AudioNet. *split 80/20*
2. Any ad revenue procured by AudioNet will be split 60% to Learfield, 40% to AudioNet. *split 60/40*
3. ~~AudioNet will receive 30% of any revenue from advertiser "incremental audio" or advertiser "integrated solutions" propagated on the AudioNet Propagation Network.~~

- All marketing of the Learfield Sports Properties will be approved in advance by Learfield Communications. This provision insures a consistent and credible marketing effort of the Learfield Sports Properties on its radio networks and on the Internet.

We don't want to do this way

- Sale of collegiate apparel and other merchandise by AudioNet will not be allowed on the Learfield Sports "home pages".

Term of the Agreement

- The initial trial period will last until the end of the NCAA Basketball season in ~~1996~~ *1995-96 (APRIL 96)*. After the initial trial period, the operating agreement will automatically renew until the end of the NCAA Basketball season in 1997 unless contested by either party. *APRIL?*

By mutual agreement

what if we add host etc.?

Deal with new AN. not target! JCF & ANCO

X-POP3-Rcpt: smays@mail
From: webmaster@audionet.com
Date: Wed, 22 Nov 1995 15:15:24 -0600
X-Sender: webmaster@audionet.com
To: SMays@socketis.net
Subject: AudioNet Agreement Points

Steve

I enjoyed our conference call today. As we discussed, here are the points we discussed:

1. Advertising and Sponsorship:

Any sponsorships of web pages that include audio will be split 80% to the selling party, and 20% to the other party. This split will occur after any "commissions" paid to the schools or content creator.

1a. Incremental Audio

A commission of 30% will be paid by AudioNet for any web page audio that is sold either party. This commission will be paid after any production costs and "commissions" paid to the schools or content creator. In addition, any expected bandwidth costs will be expensed prior to the commission. An example of this would be, Leerfield sells an on a web page for an audio, "Product Introduction". The client produces a 5 minute spot, that is placed as a graphic on the page. If in this example the charge to the customer is \$5,000 per month, with a maximum number of listeners set to 10,000 per month. Above this number a bandwidth surcharge per listener will be charged.

1b. Guided Tours/Integrated Solutions

For any specialty applications that incorporate audio, or synchronized images or video that utilizes AudioNet, a commission of 30% will be paid after all costs are expensed.

2. Presentation of AudioNet.

All pages that include audio will include an AudioNet logo modified to suit the "look and feel" of the web page. In addition, all press releases will include AudioNet being represented as Leerfields' "Internet Partner". For on air presentations, it should be, "Leerfield and AudioNet present", or "Leerfield, in co-ordination with AudioNet present"

3. Product Sales

We are looking to create a unified front for all product sales efforts. What I suggest Steve is that we work out a commission to be paid to AudioNet, the rights holder and the school. The commission will be based upon net dollars earned from the sale. My suggestion is that initially, 10% be paid to Leerfield for it's schools, plus .5% of all collegiate merchandise sold, an additional 10% will be paid to the school itself.

4. Term is 24 month, with an automatic 12 month extension, unless contested by either party. Then what?

5. AudioNet will provide weekly reports of activity from server log files.

6. AudioNet will provide a minimum of 10,000 Real Audio streams in aggregate to its customers.

FYI STEVE MAYS LEERFIELD

AN Can Sell OM games and get 80%?

*Exclusively?
Can we do a similar Deal with another "school"?
Will A.N. agree not to go to other schools on all games?
is since this on Demand?
Can we use our live?
Why pay extra bandwidth charge?*

For live feeds only?

OK

*How off?
Vague?
Trial Period?*

What does this mean???

7. AudioNet will provide a copy of Real Audio live encoder for each college that Leerfield makes available, to be used for sporting and related events, in accordance with the AudioNet/Progressive Networks licensing agreement

Don't we already have encoders?

8. AudioNet will include Leerfield presentations under its ASCAP/BMI license for music. *Do we need this?*

Steve, this is just a start. We are open to suggestions, but are ready to get the ball rolling !

If you have any questions, please feel free to call me at the office, 214-748-1125, or at home 214-696-3320

Mark

X-POP3-Rcpt: smays@mail
Date: Fri, 24 Nov 1995 16:18:54 -0600
X-Sender: newmedia@socketis.net
To: Steve Mays <smays@socketis.net>
From: echo communications <newmedia@socketis.net>
Subject: Re: AudioNet Agreement Points

Steve--

I was just wondering if you had understood the following points of the understanding which Mark sent up...maybe I missed something in the call or just don't understand exactly what he's saying here...

>>1a. Incremental Audio

>> A commission of 30% will be paid by AudioNet for any web page audio >>that is sold either party. This commission will be paid after any >>production costs and "commissions" paid to the schools or content creator. In >>addition, any expected bandwidth costs will be expensed prior to the >>commission. An example of this would be, Leerfield sells an on a web page >>for an audio, "Product Introduction". The client produces a 5 minute spot, >>that is placed as a graphic on the page. If in this example the charge to >>the customer is \$5,000 per month, with a maximum number of listeners set to >>10,000 per month. Above this number a bandwidth surcharge per listener will >>be charged.

>>

>>1b. Guided Tours/Integrated Solutions

>> For any specialty applications that incorporate audio, or >>synchronized images or video that utilizes AudioNet, a commission of 30% >>will be paid after all costs are expensed.

With this being a non-exclusive agreement, which I think I heard during the call, do we really need to be all that concerned with the two year committment to AudioNet? Especially with the three month evaluation period which we're going to propose?

>>4. Term is 24 month, with an automatic 12 month extension, unless contested >>by either party.

Here's something I find very interesting...we're going to be going into a big pot to compete for streams here. Might we propose a minimum number of streams to be set aside for our specific properties. If we do that how many would we need or want? I would think initially, to judge public response to the netcast, we'd want at least 2K for our own games, if not more. ?

>>6. AudioNet will provide a minimum of 10,000 Real Audio streams in aggregate >>to its customers.

Maybe it's just me, but consistantly misspelling the name of the company you're making a pitch to might not be wise....?

>>that ----> LEERFIELD <---- makes available, to be used for sporting and related

Do we want or need his ASCAP/BMI licensing? Does this give him some control over the "re-broadcast" rights of our games?

>>8. AudioNet will include Leerfield presentations under its ASCAP/BMI license >>for music.

Generally I think we're moving along the right path here. I'm becoming more

comfortable along the way with the idea of AudioNet or some other partner. I'm going to be interested in finding out a little about ICON...Al should have something by the middle of next week.

Well, I'm off to have a turkey sandwich.

Later,

Dan

5 pages

Fax: 314-469-5569

MEMORANDUM

DATE: November 28, 1995
TO: Philip A. Kaiser
FROM: Steve Mays
SUBJ: AudioNet Agreement

Phil:

One part of our Internet project involve distributing the audio of our college sports broadcasts out onto the net. Toward this end we're trying to formulate an agreement with Mark Cuban of AudioNet. AudioNet has a sweetheart licensing agreement that we can't get (for now) and it's in our interests to work with Mark.

He has identified some points he would like to have in our agreement (see enclosed e-mail); we've drafted some points we like better (the Echo outline).

We'd like to have this translated into something more official sounding and would like your help. Perhaps you could look these over and then we can talk for 5 or 10 minutes to clarify where we'd like to go with this.

Steve



PHILIP A. KAISER, P.C.

ATTORNEY AT LAW

14528 SO. OUTER FORTY DR., STE. 300
CHESTERFIELD, MISSOURI 63017

TELEPHONE (314) 469-5007
TELECOPIER (314) 469-5569

TELECOPY COVER LETTER

TO: Steve Mays FROM: PHILIP A. KAISER
Learfield Communications
FAX TELEPHONE NUMBER DESTINATION: 893-8166
TIME: 2:20 A.M. or P.M. DATE: 11/29/95
REGARDING: _____ PAGES: (incl. cover letter) 4
TELECOPY SENT BY: PEGGY SCHNARRE (314) 469-5007

**IF YOU DO NOT RECEIVE ALL THE MATERIAL,
PLEASE CALL (314) 469-5007 IMMEDIATELY!**

ORIGINAL WILL _____ WILL NOT _____ BE SENT

IF SENT, ORIGINAL WILL BE SENT BY REGULAR MAIL _____ OR
OVERNIGHT COURIER _____

MESSAGE:

Steve: Attached please find simple letter agreement with Audio Net
to be retyped and faxed on your stationary. If the courtship
works out, then perhaps this agreement can be replaced with
something more detailed.

Phil

This facsimile contains CONFIDENTIAL INFORMATION WHICH ALSO MAY BE LEGALLY PRIVILEGED which is intended only for the use of the Addressee(s) named above. If you are not the intended recipient of this facsimile, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any use, dissemination, distribution or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original facsimile to us at the above address via the U.S. Postal Service. Thank you.

[TO BE RETYPED ON LEARFIELD COMMUNICATIONS STATIONARY]

November 29, 1995

Mr. Mark Cuban
Audio Net
[insert address]

Dear Mark:

The purpose of this letter is to set forth our agreements and understandings regarding Audio Net's Internet distribution of our live college sports properties.

The specific duties and responsibilities to accomplish the foregoing, the sharing of revenues derived and the term of our agreement are set forth below:

Audio Net Responsibilities

General Responsibilities: Audio Net will be a distributor of our live on-line live sports properties and as such will propagate the Real Audio streams originating from our Jefferson City Internet point of presence. Audio Net will control and operate the propagation infrastructure during the term of our agreement.

Specific Responsibilities:

- Audio Net will provide a minimum of 10,000 Real Audio propagation streams in the aggregate to its customers.
- Audio Net will fully disclose its server log file activity reports to Learfield on a weekly basis during the entire term of this Agreement.
- Audio Net will provide initial technical support for Real Audio server and encoder setup at the Learfield Internet point of presence.

Responsibilities of Learfield

General Responsibilities: Learfield or a limited liability company to be formed by Learfield and some of its employees ("LLC") will provide live Real Audio college sports content of those universities with whom Learfield has contracts and authorization to broadcast live sports programming on the Internet. Learfield will retain all editorial control of content placed on the home pages for each of the universities with whom Learfield has contracts to broadcast university varsity football and basketball games ("Universities").

★
What % of available streams are getting?

Specific Responsibilities:

- ◆ Learfield will have sole responsibility for contact and relations with the Universities.
- ◆ Learfield will be responsible for the development of all content for the home pages for its various sports properties.
- ◆ Learfield will include an Audio Net graphic on each page which contains a Real Audio link propagated by Audio Net. The graphic will be designed by Audio Net subject to Learfield's specifications.
- ◆ Learfield will mention Audio Net as Learfield's Internet Distribution Provider in any promotion of Learfield's live Internet Sports Multicasts.

Revenue Sharing: It is anticipated that revenue will be derived from advertising sales for the Learfield Sports home pages. If any other form of revenue is derived, Audio Net and Learfield will negotiate in good faith to determine the appropriate sharing arrangement. ~~The advertising revenue from advertising sales for the Learfield Sports home pages will be shared under the following guidelines:~~

- (i) Advertising revenue procured by Learfield to be split 80% to Learfield and 20% to Audio Net.
- (ii) Advertising revenue procured by Audio Net will be split 60% to Learfield and 40% to Audio Net.

The term "advertising revenue" means revenue collected by Learfield after the payment of any commissions due third parties. ~~Neither Learfield nor Audio Net shall receive a commission.~~

In order to assure a consistent and credible marketing effort of the Learfield sports properties on its radio network and on the Internet, Learfield will have final approval of all marketing of its sports properties in advance of such marketing.

Nothing contained in our agreement is intended to imply that either Learfield or Audio Net shall have the right to sell or market other products or services not specifically described in this letter.

Representations and Warranties of Audio Net: Audio Net represents and warrants to Learfield that:

- (i) it has the authority to enter into and perform its responsibilities under this agreement;
- (ii) it has the ability to perform its responsibilities under this agreement; and

(iii) it has in place the required licensing agreement for the software necessary to carry out its responsibilities hereunder.

Representations and Warranties of Learfield: Learfield represents and warrants to Audio Net that:

- (i) it has the authority to enter into and perform its responsibilities under this agreement; and
- (ii) it has the ability to perform its responsibilities under this agreement.

Term: This agreement shall become effective upon Audio Net's execution and return of same to Learfield by facsimile signature. A facsimile signature shall constitute an original signature for all purposes of this agreement. This agreement will terminate upon the earlier of the material breach of same by either of us or April 15, 1996 ("Initial Term").

Between now and the end of the Initial Term, Learfield and Audio Net will evaluate each other's performance hereunder and the results achieved. If both Learfield and Audio Net are satisfied with the other's performance and the overall results achieved during the Initial Term, then this agreement may be renewed on the same terms and conditions for an additional one year period commencing with the first day following the end of the Initial Term. Such renewal must however be evidenced by a writing signed by both Learfield and Audio Net. Please note that Learfield may assign all or part of its responsibilities and rights hereunder to the L.L.C.

*Need
some
time
(window)*

If the foregoing is acceptable, please sign and return by facsimile a copy of this letter by December 4, 1995.

We look forward to proceeding with you on this exciting venture.

Sincerely,

LEARFIELD COMMUNICATIONS, INC.

By: _____
Authorized Officer

Agreed to and accepted this _____ day of _____, 1995.

AUDIO NET

By: _____
Mark Cuban

AudioNet deal points:

If we add product is it handled under our same deal? Do we want it to be?

80/20 for the selling company... content provider should get the 80% (when? how?)

If school gets cut, we deduct their % before we pay audio net

LCI is selling product exculsivly on our site; AN can't sell it. If he did sell it, we could commission him but we get to sell our ads

LEARFIELD COMMUNICATIONS
P.O.Box 104180
505 Hobbs Road
Jefferson City, MO 65110-4180
Phone: (314) 893-7200
Fax: (314) 893-2321

FACSIMILE

DATE: December 1, 1995
TO: Mark Cuban, AudioNet
FROM: Steve Mays

FAX NUMBER: 214-748-6660

Please verify receipt of all pages. Call Learfield and notify sender immediately of any problems with this transmission.

Mark:

The attached Letter of Agreement incorporates most of the items you identified with a few changes. After you've reviewed this you'll probably have a question or two.

Since this will go faster if we don't have to convene a meeting on this end... why don't you work with Greg Brown on any issues we need to discuss. He helped draft this and since he's right there in Dallas you guys can get together if necessary.

I'll be at a meeting of the National Assn. of State Radio Networks in San Antonio until Wednesday but Greg will be able to reach me.


Steve

PS: Our T-1 is in... equipment is being installed today (Fri)... and we're eager to get going!

Greg: FAXED TO MARK @ 2:30 pm.
Dan Arnall Phone: 314.449.0436
Allen Hammock: 314.443.6947
PAGER: 800.939.8563 (Punch in your number + #)



December 1, 1995

Learfield Communications, Inc.

P.O. Box 104180

505 Hobbs Road

Jefferson City, MO 65110-4180

314.893.7200

Fax 314.893.2321

Mr. Mark Cuban
President
AudioNet
2929 Elm Street
Dallas, TX 75226

Dear Mark:

The purpose of this letter is to set forth our agreements and understandings regarding AudioNet's Internet distribution of our live college sports programming.

The specific duties and responsibilities to accomplish the foregoing, the sharing of revenues derived and the term of our agreement are set forth below:

AudioNet Responsibilities:

General Responsibilities: AudioNet will be a distributor of our live on-line sports broadcasts and as such will propagate the Real Audio streams originating from our Jefferson City Internet point of presence. AudioNet will control and operate the propagation infrastructure during the term of our agreement.

Specific Responsibilities:

- AudioNet will provide a minimum of 10,000 Real Audio propagation streams in the aggregate to its customers.
- AudioNet will fully disclose its server log file activity reports to Learfield on a weekly basis during the entire term of this Agreement.
- AudioNet will provide initial technical support for Real Audio server and encoder setup at the Learfield Internet point of presence.

Responsibilities of Learfield

General Responsibilities: Learfield or a limited liability company to be formed by Learfield and some of its employees ("LLC") will provide live Real Audio college sports content of those universities with whom Learfield has contracts and authorization to broadcast live sports programming on the Internet. Learfield will retain all editorial control of content placed on the home pages for each of the universities with whom Learfield has contracts to broadcast university varsity football and basketball games ("Universities").

Specific Responsibilities:

- Learfield will have sole responsibility for contact and relations with the Universities.
- Learfield will be responsible for the development of all content for the home pages for its various sports properties.
- Learfield will include an AudioNet graphic on each page which contains a Real Audio link propagated by AudioNet. The graphic will be designed by AudioNet subject to Learfield's specifications.
- Learfield will mention AudioNet as Learfield's Internet Distribution Provider in any promotion of Learfield's live Internet Sports multicasts.

Revenue Sharing: It is anticipated that revenue will be derived from advertising sales for the Learfield Sports home pages. If any other form of revenue is derived, AudioNet and Learfield will negotiate in good faith to determine the appropriate sharing arrangement. The revenue from advertising sales for the Learfield Sports home pages will be shared under the following guidelines:

- (i) Advertising revenue procured by Learfield to be split 80% to Learfield and 20% to AudioNet.
- (ii) Advertising revenue procured by AudioNet will be split 60% to Learfield and 40% to AudioNet.

The term "advertising revenue means revenue collected by Learfield after the payment of any commissions due third parties.

In order to assure a consistent and credible marketing effort of the Learfield Sports properties on its radio network and on the Internet, Learfield will have final approval of all marketing of its sports properties in advance of such marketing.

Nothing contained in our agreement is intended to imply that either Learfield or AudioNet shall have the right to sell or market other products or services not specifically described in this letter.

Representations and Warranties of AudioNet: AudioNet represents and warrants to Learfield that:

- (i) it has the authority to enter into and perform its responsibilities under this agreement;
- (ii) it has the ability to perform its responsibilities under this agreement; and
- (iii) it has in place the required licensing agreement for the software necessary to carry out its responsibilities hereunder.

Representations and Warranties of Learfield: Learfield represents and warrants to AudioNet that:

- (i) it has the authority to enter into and perform its responsibilities under this agreement;
- (ii) it has the ability to perform its responsibilities under this agreement.

Term: This agreement shall become effective upon AudioNet's execution and return of same to Learfield by facsimile signature. A facsimile signature shall constitute an original signature for all purposes of this agreement. This agreement will terminate upon the earlier of the material breach of same by either of us or April 15, 1996 ("Initial Term").

Between now and the end of the Initial Term, Learfield and AudioNet will evaluate each other's performance hereunder and the results achieved. If both Learfield and AudioNet are satisfied with the other's performance and the overall results achieved during the Initial Term, then this agreement may be renewed on the same terms and conditions for an additional one year period commencing with the first day following the end of the Initial Term. Such renewal must, however, be evidenced by a writing signed by both Learfield and AudioNet. Please note that Learfield may assign all or part of its responsibilities and rights hereunder to the L.L.C.

If the foregoing is acceptable, please sign and return by facsimile a copy of this letter by December 8, 1995.

We look forward to proceeding with you on this exciting venture.

Sincerely,

LEARFIELD COMMUNICATIONS, INC.

By: 

Authorized Officer

Agreed to and accepted this _____ day of December, 1995.

AUDIONET

By: 

Mark Cuban