

Ad Progress Network
Memorandum of Understanding
December 18, 2008

- I. **Purpose:** To promote collaboration between Air America Media, AlterNet, Mother Jones and The Nation (collectively "Board" and singly "Founders") in order to increase online and possible future offline ad revenues for Board and participating publishers by aggregating traffic and ad sales efforts and to recruit and serve additional publishers with similar missions and audience demographics; to work towards creation of and transition management of the vertical ad network to a Joint Venture ("JV")
- II. **Scope – Time:** Efforts are underway to launch the Ad Progress Network ("APN") as soon as possible.
- a. Agreed that a general term of participation will be two years
 - b. Agreed that a new joint venture ("JV") will be formed within a period of six to eighteen months (see Section 7 below)
 - c. No permanent transfer or assignment of any rights
 - d. To be agreed upon as a minimum performance requirement as a Board member, each Board member shall commit to a minimum annual sale on behalf of APN of no less than one sale and no less than 5,000,000 ad impressions.
 - e. Any Founder may resign participation with sixty days notice to the Board
 - f. Upon resignation by a Founder, any remaining and/or residual contracts, commitments, revenues and expenses previously initiated or borne by the resigning Founder ("prior obligations") shall be administered by the remaining Board and conducted in good faith with the resigning Founder to achieve a mutually agreeable resolution. In the event a mutually agreeable resolution cannot be met, a simple majority vote of the remainder Founders shall decide how to deal with said prior obligations of the departing Member.
- III. **Scope – Governance:** Board will govern APN consisting initially of appointees of the founding four members (each a Director, collectively the Directors)
- a. Board to meet virtually or in person every sixty days
 - b. One entity = one vote, simple majority to decide decisions unless otherwise noted
 - c. No extra weight/consideration in voting for any Board member as Network Operator, highest ad traffic provider, relationship to advertiser(s), etc.
 - d. In the event that a new entity wishes to join the Board, or should a current entity wish to exit the Board:
 - i. Board Entry
 - 1. Unanimous consent of voting Board members required to admit a new Board member
 - a. Unanimous approval for a ninety day trial admittance by the Board
 - b. Unanimous approval of the new entity after completion of the trial period

ii. Board Exit

1. Any Board member may exit, but remains liable for its share of prorated start-up costs to network operator if that Board member exits less than one year after MOU execution date
2. Exiting party may request Board to review such costs as presented by Network Operator
3. Board may at its discretion, request an audit of Network Operator's costs as presented to exiting party
4. Exit of a Board member shall not result in the dissolution of APN and remaining Board members shall retain all rights and privileges of participation in APN

IV. Network Operator

- a. Network Operator shall be Air America until such time as a new JV takes over the role of Network Operator
- b. Network Operator shall be generally and specifically committed to the success of APN.
- c. Network Operator, on behalf of APN, is the entity contractually committed to the technology platform provider, Adify
- d. Network Operator shall manage and execute most, if not all operational and network management tasks and communications necessary for the day to day operation and success of APN
- e. Network Operator shall conduct operations in a fully transparent and open-book manner with the Board at all times
- f. Network Operator shall submit new publisher entrant candidates to the Board for approval and the Board shall not unreasonably withhold such approval.
- g. Network Operator shall be entitled to recover its operational and start-up costs related to including, but not limited to, the costs of a launch event, marketing materials and a comScore or similar subscription. Operational and/or start-up costs must be approved by the Board before they are incurred.
- h. Network operator shall be entitled to a dedicated revenue share equal to fifteen (15) percent of the Board share of the buy.

V. Sales and Marketing

- a. Board members shall promote and sell APN in addition to their own properties
- b. Board shall work closely with Network Operator to create and distribute sales and marketing messaging and collateral
- c. All Board members shall include APN sales and marketing materials at appropriate conferences and events

VI. Revenue Share

- a. Final revenue share numbers dependent upon unanimous Board approval of the forecast being developed
- b. Revenue share shall be calculated as per the P&L, version 1, dated December 9, 2008
- c. The Media Consortium shall be entitled to a percentage of sales, not to exceed \$5,000 per calendar year


VII. Joint Venture

- a. The Board shall conduct due diligence in forming a JV to take over the role of Network Operator
- b. The target timeline for the formation and transition of APN to a JV shall be six to eighteen months
- c. If market and/or business conditions warrant, Board may decide by unanimous vote to postpone or cancel efforts to create and transition to the JV and to leave the current structure in place
- d. All previous sections of the MOU shall apply to the JV, unless amended at a later date by the Board.

Agreed by the undersigned:

Air America		
_____	_____	_____
Name	Signature	Date

Alternet		
_____	_____	_____
Name	Signature	Date

Mother Jones		
<u>Jay Harris, Publisher</u>		<u>12/19/08</u>
Name	Signature	Date

The Nation		
_____	_____	_____
Name	Signature	Date