

Policies

1. Operating Principles

1.1 The dual mission of Collegian Inc. is to publish a quality campus newspaper and to provide a rewarding educational experience for the student staff members.

1.2 As part of its mission, Collegian Inc. will provide a valuable marketing medium to its advertisers. Collegian Inc. is self-supporting and derives more than 80 percent of its budget from advertising revenue.

1.3 Collegian Inc. will strive to carry out good business practices. Good business practices for a publishing organization include stating advertising rates and policies clearly and applying rates and policies consistently.

1.4 The business manager is a student who is the executive in charge of the Business Division. The business manager has the final responsibility and authority for advertising content. The business manager also has day-to-day responsibility for all policies regarding advertising.

1.5 The editor is a student who is the executive in charge of the News Division. The editor has the final responsibility and authority for news and opinion content. The editor also has day-to-day authority for all news operations.

1.6 The Business Division and the News Division are separate. The roles of the editor and the business manager do not overlap. The business manager does not influence news content and coverage. The editor does not influence advertising content or acceptance.

2. Advertising Acceptability

2.1 All advertising is subject to the approval of the business manager, who reserves the right to refuse any advertising.

2.2 Only the publication of an ad signifies acceptance by Collegian Inc.

2.3 The advertiser and, if applicable, the advertising agency, assume liability for all content (including text and illustrations). The advertiser and, if applicable, the advertising agency, also assume responsibility for any claims made against Collegian Inc. arising from the publication of the advertisement.

2.4 Collegian Inc. reserves the right to change rates, specifications, policies and publishing schedules.

2.5 Collegian Inc. reserves the right to refuse or to change advertising that is felt to be in poor taste or judgment; that is ambiguously or deceptively worded or portrayed, making the product or service unclear or open to misrepresentation; that advertises illegal organizations or activities; that maligns identifiable persons, races, religions or professions; or that is not within the reasonable

boundaries of accuracy and truthfulness.

2.6 Collegian Inc. will not knowingly print or publish any advertisement that violates a law.

2.7 Collegian Inc. will not knowingly print or publish any notice or advertisement relating to employment or membership indicating any preference, limitation, specification or discrimination based upon race, color, sexual orientation, religious creed, ancestry, age, sex, national origin, veteran status, handicap or disability.

2.8 Collegian Inc. will not deliberately publish an advertisement upside down, sideways or in any other form that would appear to be an error on the part of Collegian Inc.

2.9 Collegian Inc. will not publish an advertisement that is unreadable due to small or illegible copy.

2.10 Collegian Inc. will not print any copy that simulates reading matter or cannot readily be recognized as advertising. Collegian reserves the right to change the format of such advertising and to identify these as paid advertisements.

2.11 Any advertisement which offers opinions, presents allegations, or advocates a position with regard to social or political issues must contain the name of the sponsoring individual or organization. Any individual placing such advertising as "local" advertising is required to present proof of identification.

2.12 Collegian will not publish advertising which violates federal copyright laws. Advertising must not include illustrations or reproductions from other publications without written permission from those publications.

2.13 Advertising may contain black-and-white reproductions of U.S. currency provided that the reproduction is either (a.) not more than three-fourths actual size; or (b.) at least 1.5 times actual size.

2.14 No advertisement or changes will be accepted by telephone unless approved by the business manager. Collegian Inc. is not responsible for orders, cancellations or changes given over the telephone. (Exception: Classified Word Ads and changes can be accepted over the telephone, if the advertiser has a Classified Advertising Account.)

2.15 The names of people who place advertising are not normally made public. However, Collegian Inc. reserves the right to release names upon proper request from appropriate law enforcement agencies or due to other circumstances.

2.16 Collegian Inc. is not responsible for the return of materials submitted for the preparation of the final advertisement.

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2.17 A private individual may not place an ad that contains a photograph of a person. Advertising that contains a photograph, that does not have the intention of promoting a particular product, service or event will not be accepted.

2.18 The advertiser must provide an English translation for any ad or portion of an ad which will be published in a language other than English.

2.19 Collegian Inc. will not accept advertising for movies with a rating of X. Advertising for products determined to be of a pornographic nature will not be accepted. The business manager will be the final judge in such cases.

2.20 Advertising for ghost-written academic work, such as research papers, is not accepted.

Real Estate Advertising

2.21 All real estate advertising in Collegian publications is subject to the Federal Fair Housing Act (1989), which makes it illegal to advertise any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, age, lawful source of income, marital status or sexual orientation, or intention to make any such preferences, limitations or discrimination.

Employment Advertising

2.22 Help-wanted ads must state the nature of the work offered; they must be free from deception regarding the kind of work.

2.23 Ads for sales help must state the work is sales and must list the product or service to be sold, in either specific or general terms.

2.24 Help-wanted ads must state the method of pay — whether wages, salary, commission, guarantee, draw, bonus, fee or other method.

2.25 Figures for possible or average earnings based on commissions or bonuses are not permitted.

2.26 Ads placed by employment agencies must state that the advertiser is an agency.

2.27 Advertisements that promote the use or distribution of envelope stuffing or other work-at-home employment will not be accepted for publication by Collegian Inc.

Political Advertising

2.28 Political advertisements for campaigns covered by state and federal election laws must bear the words “paid political advertisement” and plainly identify the sponsor in accord with the laws. Under the laws, the advertiser (not the newspaper) is responsible for compliance. Political advertisements must be prepaid.

Advertising for E-Commerce Websites, “900” Telephone Services, Mail and Telephone Order Services

2.29 Prepayment is required from all advertisers who have been in business for less than one year.

2.30 A sample of any item being offered must be furnished to Collegian Inc. prior to the publication of advertising.

2.31 Additional information, including credit references, may also be required.

2.32 Collegian Inc. may routinely make inquiries about the advertiser from the appropriate regional postal inspectors of the U.S. Postal Service or other appropriate government agencies.

Travel Agencies Outside of Centre County

2.33 Travel agencies outside of Centre County who wish to advertise in Collegian publications must have been in business at least one year. Collegian requires specific information about the business, including credit references.

Placement

2.34 For Display Classified (DC) Advertising, special sections and premium magazine pages, placement and/or page position are guaranteed.

2.35 Guaranteed Placement is available at an extra cost. Please ask your account executive for further details.

2.36 Advertisers may request placement in a particular section, such as Sports Section or Science and Health Section. Such requests will be honored when possible, as determined by Collegian Inc.

Acceptance

2.37 Submitting an advertising insertion order to Collegian Inc. signifies agreement to these policies by the advertiser and, if applicable, the advertising agency.

3. Annual Contracts

3.1 Collegian Inc. offers annual contracts for Display Advertising. Under the terms of the contracts, Collegian Inc. offers a lower advertising rate in exchange for the advertiser’s guarantee of a specific minimum volume of advertising.

3.2 All 2004-2005 contracts automatically terminate Aug. 15, 2005.

3.3 Advertisers who exceed their contracts by 1,000 inches or more shall automatically be billed at the next lower contract increment rate. The maximum discount available is the 4,000-inch contract.

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3.4 If the advertiser fails to schedule the minimum volume of advertising by the expiration date, the advertiser must pay the lesser of the following amounts no later than Sept. 15, 2005.

(a.) The contract rate for the unused inches guaranteed in the contract.

(b.) For 500-inch contracts: For all inches used, the difference between the contract rate and the open rate in effect during the term of the contract.

For 1,000-, 1,500-, 2,000-, 3,000-, and 4,000-inch contracts: For all inches used, the difference between the contract rate and the annual rate that would apply based on the actual number of inches used.

3.5 For additional information regarding Annual Contracts, contact the business manager.

4. Payment

4.1 Payment may be made at the Collegian business counter during normal business hours. Normal business hours are 8:30 a.m. to 5 p.m. weekdays while Penn State classes are in session.

4.2 Pre-payments for display ads may be mailed to:
Advertising Manager
Collegian Inc.
James Building
123 S. Burrowes St.
University Park, PA 16801-3882

4.3 Checks may be made payable to Collegian Inc.

4.4 Any checks returned to Collegian for any reason are subject to a \$20 processing fee.

4.5 All advertising must be paid for in advance unless the advertiser has established an active credit account with Collegian Inc.

4.6 Collegian Inc. reserves the right to require pre-payment for any advertising, even if a credit account has been established. Payments on account may be mailed to: Collegian Inc.

Department A
James Building
123 S. Burrowes St.

University Park, PA 16801-3882

4.7 Collegian Inc. reserves the right to require pre-payment for any advertising relating to a “going-out-of-business” or a “quitting business” promotion or sale.

4.8 All student organizations handling funds through Associated Student Activities (ASA), and all University departments must submit purchase orders with each advertisement. IDT’s (Interdepartmental Transfers) are not accepted.

4.9 Political advertisements must be paid for in advance. Political advertisements must conform to Collegian Policy No. 2.28.

5. Credit and Billing

5.1 All advertisers are required to pay in advance, unless a credit application is properly completed by the advertiser and approved by Collegian Inc.

5.2 Advertising statements are normally mailed monthly reflecting all advertising placed during a calendar month.

5.3 To qualify for credit, a business must have been actively operating for a minimum of six months. Collegian Inc. reserves the right to establish a credit ceiling. All credit accounts are evaluated monthly.

5.4 The credit application must be based on the person or organization that will ultimately be responsible for timely payment. For example, a credit application cannot be based on a parent company or an affiliated company unless the parent or affiliate accepts full responsibility for paying the bill.

5.5 Once credit is approved, payment in full is due on or before the final day of the month following insertion. In the event that payment is not made within 30 days after the statement date, a late payment charge of 1.5 percent monthly will be imposed.

5.6 Any advertiser appearing on the Collegian “Past Due List” will be prohibited from advertising until the past due balance of the account is paid in full.

5.7 Collegian Inc. reserves the right to withdraw or restrict credit privileges for any reason, including a poor payment history.

5.8 Centre County Court of Common Pleas shall have exclusive jurisdiction over all claims and controversies involving advertising placed or payment due. Advertisers submit to jurisdiction of Centre County Court and agree to pay all reasonable collection fees and attorney fees Collegian may incur in collection of past-due amounts.

6. Errors and Adjustments

6.1 If a scheduled advertisement must be canceled by Collegian Inc., a member of the Business Division will make a reasonable effort to notify the advertiser in advance of the scheduled publication date.

6.2 If Collegian Inc. discovers that a scheduled advertisement was not published due to an error on the part of Collegian Inc. or due to any other reason, a member of the Business Division will make a reasonable effort to notify the advertiser as soon as possible.

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6.3 Collegian Inc. shall not be responsible for errors which do not materially decrease the value of the advertisement.

6.4 Collegian Inc. shall not be responsible for any errors when copy, illustrations or any required materials are submitted after the closing times listed in the current Rate Book.

6.5 Collegian Inc. shall not be responsible for any errors or omissions arising from copy, illustrations or any other materials submitted by the advertiser or, if applicable, the advertising agency.

6.6 Liability for any error is limited to the cost of the space occupied by the erroneous advertisement.

6.7 Liability for any error is limited to the first insertion of the erroneous advertisement.

6.8 Unless the business manager is notified within FIVE BUSINESS DAYS after an erroneous ad has been published, adjustment for the error will be refused.

6.9 Adjustments due to errors on the part of Collegian Inc. will be made on a percentage basis by calculating the percentage the error detracts from the effectiveness of the total advertising message. The business manager will be the final judge in such cases.

6.10 In lieu of an adjustment, Collegian Inc. may elect to publish a corrected advertisement in the next available issue at no additional charge to the advertiser.

6.11 Claims for adjustments due to billing errors must

be made within FIVE BUSINESS DAYS after receiving the bill.

6.12 Authorized refunds will be issued by Collegian Inc. in the form of a credit memo or a payment at the customer's option. If the customer elects payment, a check must be issued if the amount of the refund exceeds \$10.

7. Snow Days or Other Emergencies

7.1 If an issue of The Daily Collegian is being printed or distributed when Penn State cancels classes, Collegian will distribute newspapers in as timely a manner as possible and will make efforts to distribute as many copies as possible. No adjustments will be made.

7.2 If Penn State cancels classes before Collegian is printed or distributed, Collegian will make every effort to contact advertisers and will schedule ads in the next available publication.

8. Cancellations

8.1 Advertisers may make cancellations at no charge before the closing times listed in the Rate Book.

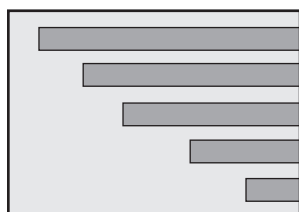
8.2 Advertisers may make cancellations at full charge after the closing times listed in the Rate Book.

8.3 The Cancellation Charge for Preprinted Advertising inserts is \$6 per 1,000 copies. This Cancellation Charge applies when preprints are canceled after the closing times listed in the Rate Book.

The Daily Collegian Marketing Information

98% (40,180) of all Penn State students read The Daily Collegian.

The Daily Collegian reaches the student market better than any other medium.



90% of all Penn State students have read The Daily Collegian "in the last seven days."
71.4% (29,274) of all students surveyed said that they read it "yesterday."
58.7% (24,067) said they read Collegian ads in the last seven days.
33.4% (13,694) said they read Collegian ads "yesterday."
17.6% of students said they read the local newspaper "yesterday."

The average Penn State student reads The Daily Collegian 3.7 times a week.