

Lazer Broadcasting Corporation

DISCLOSURE STATEMENT / POLITICAL ADVERTISING FOR ELECTION YEAR 2018

This Statement of Policy on Political Advertising describes the policies of radio stations owned and operated by Lazer Broadcasting Corporation (the “Station”) regarding advertising purchases by legally qualified candidates for public office and their authorized campaign committees. This policy applies to “uses” of the Station by such candidates, as that term is defined by the Federal Communications Commission, and not to sale of time to other entities, including political issue advertisers. To the extent permitted by law, the Station reserves the right to modify this Statement at any time. It is provided for general information, and is not a part of any advertising contract.

It is the Station’s policy to comply fully with all applicable laws and regulations relating to political broadcasting.

CANDIDATE ACCESS TO STATION’S FACILITIES. The Station affords legally qualified candidates for federal elective office reasonable access to our Station by permitting the purchase of reasonable amounts of time for the “use” of that Station (*e.g.* a positive spot in which the candidate’s voice appears). The Station also offers time for sale to legally qualified candidates for certain state and local elective offices. The Station will determine the extent to which each will sell advertising for particular state and local races on a case-by-case basis.

RATES FOR CANDIDATES. During the 45-day period preceding a primary or primary run-off election and during the 60-day period preceding a general or special election, each Station will charge its lowest unit rate for “uses” of that Station by legally qualified candidates for a particular class of spot, length of spot and time period. Whether a candidate is entitled to the lowest unit rate for a particular spot depends on the date the spot airs -- not when the order is accepted.

In addition, a federal candidate is only eligible to receive a Station’s lowest unit rate if the purchaser provides a certification that the spot will not make direct reference to another candidate for the same office, unless the spot complies with the enhanced disclosure requirements imposed by the Bipartisan Campaign Reform Act (“BCRA”). If a federal candidate has either not provided the required certification or does not comply with its terms, he or she is not entitled to receive a Station’s lowest unit rate for the remainder of the time leading up to the election for that office.

The lowest unit rate for a particular class of spot, length of spot and time period may vary during the 45-day and 60-day pre-election periods, and the Station will inform candidates of their estimates of the applicable lowest unit rates when requests for availabilities are received. If an eligible candidate pays more than a Station’s lowest unit rate, that Station will rebate or credit the excess payment to the candidate, at the candidate’s option.

Outside of the pre-election 45- and 60-day periods, charges for political advertising by legally qualified candidates on each Station will not exceed charges for comparable uses of that Station by other commercial advertisers.

TYPES OF ADVERTISING SCHEDULES. The Station differentiates between the advertising time is sold based on the following characteristics:

- **Length of Announcements:** Generally, the Station makes available for purchase the following lengths of air time: 60 seconds and 30 seconds. Federal candidates may purchase any length of time that a Station has offered to commercial advertisers during the year preceding the election. On a case-by-case basis, each Station will consider requests by federal candidates for non-standard lengths of time whether or not sold or programmed commercially by that Station during the previous year.
- **Classes of Time:** The Station makes available for purchase the following classes of time:
 - **Non-Preemptible.** This class of time sold by the Station to its commercial advertisers is non-preemptible. These spots are not preemptible by other spots, even if a higher price is paid. This is not the usual class of time sold on Lazer Broadcasting Stations.
 - **Preemptible.** The Station generally sells all commercial advertisements on an “auction” basis, meaning that a commercial always runs the risk of being preempted by another spot for which a higher price is paid. If a candidate entitled to pay the lowest unit rate purchases preemptible time at a price in excess of the lowest unit rate for that class of time, the candidate will be entitled to a timely rebate or a credit against future purchases, at the option of the candidate. Spots in this class may be preempted by non-preemptible advertisements regardless of the rate paid for the preemptible advertisement.

All spots, even non-preemptible spots, may be preempted at a Station’s discretion in order to cover a breaking news event, to broadcast programming deemed of overriding public importance, due to transmission or other technical problems, or in other similar circumstances.

Candidates should note that the likelihood that a particular spot will be preempted fluctuates regularly based on the amount of available inventory and other factors. The Station will provide a good faith estimate of the likelihood that an advertisement ordered in a particular time period and class will clear, but the Station emphasizes that they can provide only an estimate of the likelihood of preemption, not a guarantee, and that they will not undertake to update preemption estimates if circumstances change after they are given.

- **Time Periods:** The Station sells Non-Preemptible and Preemptible spots in various time periods and rotations, such as fixed (e.g., 7:30 a.m.), particular dayparts (e.g., local drive time in the morning or afternoon), weekly rotators (by which advertisers may purchase a certain number of spots per week, to be aired at any time within a particular daypart or dayparts during that week) and run-of-schedule (generally the broadest rotation, in which spots may run anytime during the entire day or a broad portion of the day). The most common time periods for which each Station sells advertisements are listed on the attached rate cards. Please contact the personnel below for more information on other time periods and rotations.

SPECIFIC SALES PRACTICES. The Station occasionally sells time to some advertisers subject to certain guarantees or benefits. Those guarantees and benefits are described below.

- **Make Goods.** If a candidate spot of any class other than ROS is preempted or fails to run as scheduled for technical or similar reasons, the Station will endeavor to offer the candidates a “make good” to be broadcast prior to the election. Make-goods will consist of one or more spots with an aggregate value comparable to that of the preempted spot, which may run in time periods other than that originally ordered. If a candidate rejects the offered make-goods, the Station will provide credits or refunds for the preempted spots.
- **Package Plans.** From time to time, each Station may offer specialized and/or individually negotiated packages of advertising time to its advertisers. During the statutory “lowest unit charge” periods, legally qualified candidates may purchase such packages from a Station at the lowest rate at which that Station sells such packages to commercial advertisers. In addition, each Station will factor the rate applicable to each spot within a package into its calculation of the lowest unit rate for candidate spots having the same length of time, time period, and class as the package spots.

AVAILABILITY. The attached rate cards provide the basic periods for which each Station sells time and each Station’s currently projected 30 second rates for those periods. The projected rates reflect all volume and other discount privileges available to commercial advertisers on the Station. Additional rate information for different lengths, classes of time, packages, and rotators offered by the Station will be provided to any candidate, or candidate’s representative, who requests the information. All orders are subject to availability at the requested time.

The Station will accept political advertising on Election Day.

AGENCY PLACEMENT AND DIRECT PLACEMENT. The rates quoted by the Station on the attached rate cards reflect payments of standard agency commissions. Purchases directly from the Station will be at the quoted rates less the 15 percent commission that would otherwise be paid to an agency.

SUBMISSION OF MATERIALS. For each political time order, the Station requests that a candidate provide an NAB political broadcast form (PB-16). Although the Station will use commercially reasonable efforts to clear orders promptly after they are received, candidates should submit orders and broadcast materials no later than two full business days before the advertising is scheduled to air. The Station cannot guarantee its ability to clear advertisements received later than this deadline, particularly in the weeks preceding an election, when demands on staff and inventory are particularly intense. Where doubt exists, the Station may require proof satisfactory to it that the purchaser is authorized to buy time for the candidate and the candidate is legally qualified.

Where such disclosure is legally required, such as where a committee is purchasing political advertising, the Station requires a list of members of the executive committee or board of directors of any corporation, committee, association, or other group purchasing the time before the Station will grant a request for time. These lists will be available for public inspection at the at the Federal Communications Commission's (FCC's) Online Public Inspection File Portal per the rules that took effect on 3/1/18.

Orders placed with the Station will not be confirmed until all of the required materials have been received and payment requirements (described below) have been satisfied.

PREPAYMENT AND CREDIT. All political orders, whether direct from the candidate or through a recognized advertising agency, are subject to the Station's normal credit policies. Advance payments must be made at least seven (7) days prior to the first scheduled broadcast of the flight. Federal candidates will not be required to pay more than seven (7) days in advance.

SPONSORSHIP IDENTIFICATION. All political advertisements must contain sponsorship identification that complies with the requirements of BCRA and the rules of the Federal Communications Commission and the Federal Election Commission.

The Station will add the required sponsorship identification to any spots not containing it and may charge candidates for production costs in doing so on a commercially reasonable basis. *The Station will not add time to any spot to accommodate sponsorship identification.* Sponsorship identification announcements must be made at both the beginning and the end of political material that runs five or more minutes. To the extent required by law, the advertisement must include a statement that it is a political advertisement.

- **Ads Authorized by a Federal Candidate or His/Her Authorized Committee.** Under BCRA, each radio advertisement placed by a federal candidate or his or her authorized committed must contain the voice of the candidate, who must: (i) identify himself or herself; (ii) state that he or she approved the broadcast; **and** (iii) state that the advertisement was paid for by the candidate or his or her authorized committee. In addition, if the spot refers to an opposing candidate in any way, there must also be an identification of the elective office being sought.
- **Ads Authorized by a State or Local Candidate or His/Her Authorized Committee.** Sponsorship identification for advertisements containing "uses" by

candidates for state or local offices must indicate: (i) that the announcement is "paid for" or "sponsored by" a particular candidate or organization; and (ii) the name of the candidate or organization that paid for the time. Unlike a federal candidate, a state or local candidate's voice is NOT required to appear in the disclaimer. However, if the candidate's voice is not included, the spot does not qualify as a "use" and is not entitled to the lowest unit charge.

PRODUCTION. Station will make its production facilities available to candidates and their representatives. Charges for production facilities are determined separately from charges for air time. All inquiries or requests concerning production time and facilities should be made through the personnel listed below.

POLITICAL FILE. Each Station maintains a political file of all requests for broadcast time made by or on behalf of candidates for public office; materials showing the disposition of each request; the rates provided for requests that are granted; and the lengths, classes, and time periods purchased. The Station's political file is maintained online and are available for inspection at the Federal Communications Commission's (FCC's) Online Public Inspection File Portal per the rules that took effect on 3/1/18.

NON-DISCRIMINATION POLICY. The Station does not discriminate in advertising contracts on the basis of race or gender. Any provision in any order or agreement for advertising that purports to discriminate on the basis of race or gender, even if handwritten, typed or otherwise made a part of a particular contract, is hereby rejected.

DISCLOSURE IS NOT AN OFFER OF SALE. THIS STATEMENT OF POLICY DOES NOT CONSTITUTE AN OFFER TO SELL ADVERTISING TIME, NOT IS IT A CONTRACT. RATHER, IT IS A STATEMENT OF THE POLICIES THAT THE STATION ATTEMPTS TO FOLLOW IN GOOD FAITH IN CONNECTION WITH THE SALES AND PLACEMENT OF POLITICAL ADVERTISING. THE TERMS OF ANY ACTUAL SALE ARE CONTAINED IN THE SALES CONTRACT AND NONE OF THE MATTERS IN THIS STATEMENT OF POLICY ARE INCORPORATED BY REFERENCE INTO THE SALES CONTRACT.

ORDER PLACEMENT. The following persons are available to assist candidates with their Radio advertising on the Station:

CONTACT:

Gustavo Mora

Director of National Sales

Gmora@LazerBroadcasting.com

PHONE

O: (909) 384-9750

M: (626) 688-1430

Joshua Mednick

Chief Operating Officer

Jmednick@LazerBroadcasting.com

O: (805) 240-2070

M: (702) 577-7747