

CONTRACT



KCRA
3 Television Circle
Sacramento, CA 95814
(916)446-3333

www.kcra.com

And:

Smart Media Group LLC (VA)
1427 Leslie Ave
Alexandria, VA 22301

<u>Contract / Revision</u> 1188964 /		<u>Alt Order #</u> 08122995
<u>Product</u> KASHKARI/GOV/R		
<u>Contract Dates</u> 05/20/14 - 05/26/14	<u>Estimate #</u> 520526	
<u>Advertiser</u> Kashkari/R/Governor		<u>Original Date / Revision</u> 05/14/14 / 05/15/14
<u>Billing Cycle</u> EOM/EOC	<u>Billing Calendar</u> Broadcast	<u>Cash/Trade</u> Cash
<u>Station</u> KCRA	<u>Account Executive</u> Meredith Thompson	<u>Sales Office</u> Eagle-Washingt
<u>Special Handling</u>		
<u>Demographic</u> Adults 35+		
		<u>Total Ratings</u> 36.90
<u>IDB#</u> 1046	<u>Advertiser Code</u> KASH	<u>Product Code</u> ORDR
<u>Agency Ref</u>	<u>Advertiser Ref</u>	

*Line	Ch	Start Date	End Date	Description	Start/End Time	Days	Length	Spots/Week	Rate	Rtn	Type	Spots	Amount
1	KCRA	05/20/14	05/23/14	KCRA-TV News at 5am	5:00am-5:57am		:30				NM	4	\$2,000.00
		Class of Time - Pre-emptible with notice											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-TWTF--				4	\$500.00	1.40			
2	KCRA	05/26/14	05/26/14	KCRA-TV News at 5am	5:00am-5:57am		:30				NM	1	\$150.00
		Class of Time - Immediately Pre-emptible without notice											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/26/14	06/01/14	M-----				1	\$150.00	1.40			
3	KCRA	05/21/14	05/23/14	KCRA-TV News at 6am	5:58am-7:00am		:30				NM	2	\$2,000.00
		Class of Time - Pre-emptible with notice											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	--W-F--				2	\$1,000.00	2.60			
4	KCRA	05/20/14	05/23/14	NBC Today Show	7:00am-9:00am		:30				NM	4	\$4,000.00
		Class of Time - Pre-emptible with notice											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-TWTF--				4	\$1,000.00	2.70			
5	KCRA	05/26/14	05/26/14	NBC Today Show	7:00am-9:00am		:30				NM	1	\$1,000.00
		Class of Time - Pre-emptible with notice											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/26/14	06/01/14	M-----				1	\$1,000.00	2.70			
6	KCRA	05/24/14	05/24/14	SATURDAY TODAY	SATURDAY TODA		:30				NM	2	\$700.00
		Class of Time - Pre-emptible with notice											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-----S-				2	\$350.00	0.90			
7	KCRA	05/24/14	05/24/14	KCRA-TV News at 7a	7:00am-9:00am		:30				NM	2	\$400.00
		Class of Time - Immediately Pre-emptible without notice											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-----S-				2	\$200.00	3.00			
8	KCRA	05/25/14	05/25/14	KCRA-TV News at 7am	News at 7:00am		:30				NM	2	\$1,500.00
		Class of Time - Pre-emptible with notice											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			

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Hearst Television Inc., does not discriminate in the sale of advertising time, and will accept no advertising which is placed with an intent to discriminate on the basis of race or ethnicity. Advertiser hereby represents and warrants that it is not purchasing broadcast air time under this advertising sales contract for a discriminatory purpose, including but not limited to decisions not to place advertising on particular stations on the basis of race or ethnicity.



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<u>Advertiser</u> Kashkari/R/Governor		<u>Original Date / Revision</u> 05/14/14 / 05/15/14

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		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-----S				2	\$750.00	1.70			
N 9	KCRA	05/20/14	05/23/14	NBC Today Show	7:00am-9:00am		:30				NM	4	\$4,000.00
Class of Time - Pre-emptible with notice													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-TWTF--				4	\$1,000.00	0.00			
N 10	KCRA	05/26/14	05/26/14	NBC Today Show	7:00am-9:00am		:30				NM	1	\$1,000.00
Class of Time - Pre-emptible with notice													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/26/14	06/01/14	M-----				1	\$1,000.00	0.00			
N 11	KCRA	05/20/14	05/23/14	KCRA-TV News at 5pm	4:58pm-5:30pm		:30				NM	4	\$6,000.00
Class of Time - Pre-emptible with notice													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-TWTF--				4	\$1,500.00	0.00			
N 12	KCRA	05/20/14	05/23/14	KCRA-TV News at 6pm	6:00pm-7pm		:30				NM	4	\$6,000.00
Class of Time - Pre-emptible with notice													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-TWTF--				4	\$1,500.00	0.00			
N 13	KCRA	05/25/14	05/25/14	KCRA-TV News at 5pm	4:58pm-5:30pm		:30				NM	1	\$1,200.00
Class of Time - Pre-emptible with notice													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-----S				1	\$1,200.00	0.00			
N 14	KCRA	05/25/14	05/25/14	KCRA-TV News at 6pm	5:58pm-6:30pm		:30				NM	1	\$1,200.00
Class of Time - Pre-emptible with notice													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-----S				1	\$1,200.00	0.00			
N 15	KCRA	05/20/14	05/20/14	KCRA-TV News at 11pm	11:00pm-11:35pm		:30				NM	1	\$1,500.00
Class of Time - Pre-emptible with notice													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-T-----				1	\$1,500.00	0.00			
N 16	KCRA	05/23/14	05/23/14	DATELINE	8P-10P		:30				NM	1	\$3,500.00
Class of Time - Pre-emptible with notice													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	----F--				1	\$3,500.00	0.00			
N 17	KCRA	05/25/14	05/25/14	Senior PGA Championship	9:00am-5:00pm		:30				NM	3	\$3,000.00
Class of Time - Pre-emptible with notice													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week:		05/19/14	05/25/14	-----S				3	\$1,000.00	0.00			
Totals										36.90		38	\$39,150.00

Time Period	# of Spots	Gross Amount	Agency Comm.	Net Amount
04/28/14 - 05/25/14	35	\$37,000.00	(\$5,550.00)	\$31,450.00
05/26/14 - 05/26/14	3	\$2,150.00	(\$322.50)	\$1,827.50
Totals	38	\$39,150.00	(\$5,872.50)	\$33,277.50

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<u>Contract / Revision</u>	<u>Alt Order #</u>
1188964 /	08122995

<u>Contract Dates</u>	<u>Product</u>	<u>Estimate #</u>
05/20/14 - 05/26/14	KASHKARI/GOV/R	520526

<u>Advertiser</u>	<u>Original Date / Revision</u>
Kashkari/R/Governor	05/14/14 / 05/15/14

Signature: _____ **Date:** _____

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**HEARST TELEVISION INC.
TERMS AND STANDARD CONDITIONS
FOR PURCHASE OF BROADCAST ADVERTISING**

The person, firm or other business entity contracting to purchase Advertising on its own behalf ("Advertiser"), or on behalf of the advertiser named on the face of the advertising purchase contract or media order ("Agency"), (collectively known as "Purchaser") and the station accepting this contract ("Station") hereby agree that the advertising purchase contract, or media order, shall be governed by the conditions and terms set forth below. Advertising shall encompass the purchase of advertising time, sponsorships, program content and/or other services ("Ads") distributed by Station through either a broadcast signal or the retransmission or other distribution of a broadcast signal ("collectively known as "Distribution"). Digital Advertising will be governed by Hearst Television's Digital Terms and Conditions which can be found at www.hearsttelevision.com/for_advertisers and incorporated here.

1. BILLING AND PAYMENTS

(a) Station will, from time to time at intervals following Distribution hereunder, bill Purchaser at the address listed on the purchase contract or media order. Payment shall be made in advance of Distribution unless credit arrangements acceptable to Station have previously been made in writing, in which event payment shall be made no later than 30 days after receipt by Purchaser of Station invoice. Station reserves the right to cancel credit arrangements at any time with or without notice for whatever reason. Purchaser agrees to notify Advertiser of the terms and conditions herein immediately.

(b) Purchaser is acting as agent for a disclosed principal (i.e., the Advertiser named on the purchase contract or media order) and Purchaser (unless otherwise specified in writing) will act as agent for making payment on all invoiced amounts hereunder. This stipulation cannot be amended without prior written authorization from the station. Purchaser and Advertiser shall be jointly liable for the payment of sums due hereunder, but Station agrees to look initially to Purchaser for the payment of sums due hereunder, unless Purchaser fails to timely remit payment or becomes insolvent. Advertiser shall be liable to Station and not to Purchaser on all unpaid billings for services rendered including all applicable taxes by Station hereunder (excluding advertising agency commissions). If Station has not received payment from Purchaser within 60 days from the due date of the invoice, Station may consider the invoice to be delinquent and may invoice or contact the Advertiser directly for payment after notifying the Purchaser of its intention. Nothing herein contained relating to the payment of invoiced amounts by Agency shall be construed so as to relieve Advertiser of, or diminish Advertiser's liability for breach of its obligations hereunder. If the purchase contract or media order is with a media buying service, all references herein to Purchaser shall apply to the media buying service.

2. TERMINATION

(a) Unless otherwise specified in writing, either party may terminate a purchase contract or media order, without cause, upon giving the other party at least 28 days prior notice provided that, if notice is given by Purchaser, termination shall not be effective until after two (2) weeks of Distribution hereunder. If Purchaser so terminates this contract, it shall pay Station at the earned rate for all Ads pursuant to the purchase contract or media order through the effective date of termination.

(b) Station may, upon notice to Purchaser, terminate the purchase contract or media order at any time; (i) upon material breach by Purchaser; (ii) if Station fails to receive timely payment on billing; or (iii) if Advertiser's or Purchaser's credit is, in Station's reasonable opinion, impaired. Upon such termination, all unpaid accrued charges hereunder shall immediately become due and payable. The Purchaser's only liability shall be to pay for telecasts completed hereunder prior to cancellation by Station.

(c) Purchaser may, upon notice to Station, terminate the purchase contract or media order at any time upon material breach by Station. Upon such termination, the Station's only liability shall be to pay as liquidated damages a sum equal to the lesser of the following: (i) the actual non-cancellable out-of-pocket costs necessarily incurred by Purchaser in performance of this contract through date of such termination, or (ii) the total which would be due to Station hereunder if, on the date on which Purchaser gives notice of cancellation, Station had given notice of termination pursuant to Paragraph 2(a) effective at the earliest date permitted thereunder.

(d) Neither party shall have any liability to the other upon termination pursuant to this Paragraph 2, except as provided in this Paragraph 2 and Paragraph 7.

3. OMISSION OF DISTRIBUTION

If, as a result of an act of God, force majeure, public emergency, labor dispute, restriction imposed by law or governmental order, mechanical breakdown, or where necessary to enable the Station to comply with the Communications Act of 1934, as amended, to satisfy the "reasonable access" and/or "equal opportunity" requirements for certain political candidates, or any other similar or dissimilar cause beyond the Station's reasonable control, Station fails to distribute any or all of the Ads, announcement(s) or programs to be distributed hereunder, Station shall not be in breach hereof, but Purchaser shall be entitled to an adjustment as follows: (i) if no part of a scheduled Distribution is made, a later Distribution shall be made at a reasonably satisfactory substitute date and time, and if no such time is available, the time charges allocable to the omitted Distribution shall be waived; (ii) if a material part, but not all, of a scheduled is omitted, a later Distribution shall be made at a reasonable substitute date and time. The foregoing shall not deprive Purchaser of the benefit of any discounts which it would have earned hereunder if the Distribution had been made in its entirety.

4. PREEMPTIONS

Station shall have the right to cancel any Ads or portion thereof covered by the purchase contract or media order in order to distribute any program or event which, in the Station's sole discretion, it deems to be of greater public interest or significance. Station may also recapture time previously sold when necessary to comply with its obligations to make available "reasonable access" and/or "equal opportunities" to certain political candidates under the Communications Act of 1934, as amended. Station will notify Purchaser of such cancellation as promptly as reasonably possible, if the parties cannot agree upon a satisfactory substitute date and time, the Distribution so preempted shall be deemed canceled without affecting the rate, discounts or rights provided under this contract, except that Purchaser will not have to pay Station any charges allocable to the canceled Distribution.

5. FIXED RATE PURCHASES

Notwithstanding the provisions of Paragraphs 3 and 4 above, unless the omitted or preempted announcement was purchased as a single buy or at a fixed (i.e., not a pre-emptible) rate, and it is so indicated on the face of the contract or media order, Station may preempt at its sole discretion for any reason. In the event of preemption or omission, Purchaser shall be accorded another Distribution at a reasonably satisfactory substitute date and time, at no additional charge therefor.

6. PURCHASER MATERIAL

All commercial materials (if so specified on the face of the purchase contract or media order, all program materials, including talent) shall be furnished by Purchaser and delivered to Station at Purchaser's sole cost and expense. Purchaser shall deliver all materials not less than 48 hours (exclusive of Saturdays, Sundays and holidays) in advance of Distribution. All materials furnished by Purchaser (i) shall not be contrary to the public interest, (ii) shall conform to the Station's then existing program and operating policies and quality standards, and (iii) are subject to Station's prior approval and continuing right to reject or to cause Purchaser to edit such materials. Station will not be liable for loss or damage to Purchaser's material or, even if accepted by Station, for communications from others.

If Purchaser requests within 30 days of last Distribution hereunder, Station will, at Purchaser's expense, return Purchaser material to Purchaser. If Purchaser does not so request, Station has the right to dispose of all Purchaser material any time after 60 days following the last Distribution hereunder.

Purchaser and/or Advertiser, represent that the commercial materials provided shall (i) not infringe the copyright, ownership or authorship of any third party; (ii) be free and clear for Distribution without obtaining any further consents or approvals; and (iii) not be defamatory, libelous, pornographic, obscene or otherwise unlawful. In addition, Advertiser shall represent it has a reasonable basis for all claims made within the Ads, possesses appropriate documentation to substantiate such claims, and it has sole right, title, interest or permission to make use of the names, logos and/or trademarks used in the Ads.

7. INDEMNIFICATION

Purchaser hereby represents and warrants to Station that Station and its licensees have the right to distribute the Ads and all commercial materials without infringing or violating the rights of any party or violation of any law, rule or regulation. Purchaser agrees, at its or their own expense, to indemnify, defend and hold harmless Station, its licensees, and its and their parent companies, employees, officers, directors, representatives, agents and affiliates, from and against any and all claims (including but not limited to, claims of trademark or copyright infringement, libel, defamation, false, deceptive or misleading advertising or sales practices), demands, suits, actions, proceedings, damages, losses, costs and expenses (including reasonable attorneys' fees and costs) and other liabilities of any kind whatsoever arising out of or related to (a) the Distribution of any advertisement hereunder, (b) the commercial materials or any matter or thing contained in any Ad, and/or (c) any material of Purchaser in which viewers or users can link through any Ad. Advertiser and Purchaser shall be jointly and severally liable and responsible for fulfilling indemnification obligations hereunder. Purchaser represents and warrants that it has the authority, as agent, to bind Advertiser to these Terms and Conditions and the purchase contract or media order. The provisions of this Paragraph 7 shall survive the expiration or termination of these Terms and Conditions and any purchase contract or media order.

8. CONSEQUENTIAL DAMAGES

STATION SHALL NOT BE LIABLE TO THE ADVERTISER, ITS PURCHASER OR ANY THIRD PARTY UNDER OR IN RELATION TO THESE TERMS OR ANY PURCHASE CONTRACT OR MEDIA ORDER FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES OF ANY KIND OR NATURE, UNDER POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL STATION'S LIABILITY UNDER OR IN RELATION TO THESE ANY THEORY OF LAW OR EQUITY, AND WHETHER OR NOT STATION HAS BEEN ADVISED OF THE TERMS OR ANY INSERTION ORDER EXCEED THE FEES ACTUALLY PAID TO STATION FOR THE ADVERTISEMENT GIVING RISE TO SUCH LIABILITY.

9. GENERAL

(a) Station will distribute the Ads, announcements and programs covered by the purchase contract or media order on the dates and at the approximate Distribution periods provided on the face hereof.

(b) The Station shall exercise normal precautions in handling of property and mail, but assumes no liability for loss or damage to program or commercial materials and other property furnished by the Agency in connection with Distributions hereunder. The Station will not accept or process mail, correspondence, or telephone calls in connection with Distribution except after its prior approval.

(c) Interest charges and reasonable collection fees may be applied to past due amounts at the rate of 1.5 percent per month (or less, the maximum lawful interest rate) beginning on the 61st day.

(d) Purchaser shall not assign this contract. Advertiser may, upon notice to Station, change its agency and only the successor agency shall be entitled to commissions, if any, on billings for Distributions thereafter. Station is not required to distribute hereunder for the benefit of any person other than Advertiser, or for a product or service other than that named on the face hereof.

(e) The purchase contract or media order contains the entire understanding between the parties, cannot be changed or terminated orally, and shall be construed in accordance with the laws of the State of New York, and with the Communications Act of 1934, as amended, and with the rules and regulations of the FCC issued pursuant thereto. When there is any inconsistency between these standard conditions and a provision on the face hereof, the latter shall govern. Failure of either party to enforce any of the provisions hereof shall not be construed as a general relinquishment or waiver of that or any other provision.

For additional information relating to political advertising, Agencies and Advertisers are encouraged to request a copy of the Station's current political advertising disclosure statement.