

6/20/14

KCWY-TV POLITICAL ADVERTISING
SALES POLICY DISCLOSURE STATEMENT

This disclosure statement describes the policies of KCWY-TV (the "Station") concerning the sale of advertising for authorized "uses" by legally qualified candidates for public office. These policies are not applicable to purchases by candidates or others for non-"uses" (e.g., spots in which the candidate's voice or picture does not appear), to purchases by political action committees, or to purchases for issue advertising or advertising directed at ballot propositions.

This disclosure statement does not constitute an offer to sell time and does not constitute any agreement or contract; rather, it is a statement of the policies which this Station, in good faith, attempts to follow in connection with the sale and placement of sales contracts. None of the matters contained in this disclosure statement are incorporated by reference into the sales contract.

A. CLASSES OF TIME

1. Level One (1) - (Fixed)

Fixed spots cannot be pre-empted during the designated program daypart, or time period, except for circumstances beyond the Station's control such as a power outage, technical difficulties, breaking news events, and similar occurrences. In addition, fixed spots are only available in time periods that are not sold out exclusively at a fixed rate for all advertisers. Fixed spots may run anywhere during the designated period. The Station does not offer "fixed position" spots, and it therefore cannot guarantee the placement of a spot during any particular break or at any specific time. Spots purchased in this class are entitled to make-goods.

2. Level Two (2) - (Pre-Emptible with 24 Hours Notice)

Pre-emptible with Notice spots may be pre-empted for fixed spots only upon 24 hours notice being given to the purchaser. Once this deadline has passed, spots of this class will air as cleared, subject to circumstances beyond the Station's control such as a power outage, technical difficulties, breaking news events, and similar occurrences. Spots of this class must be purchased more than 24 hours before they are to air. Spots purchased in this class are entitled to make-goods.

3. Level Three (3) - (Immediately Pre-Emptible)

Level 3 spots may be pre-empted for fixed spots or pre-emptible with no notice being given to the purchaser. Spots of this class will air as cleared, subject to circumstances beyond the Station's control such as a power outage, technical difficulties, breaking news events, and similar occurrences. Spots purchased in this class are entitled to make-goods.

4. Level Four (4) - (Immediately Pre-Emptible)

Level 4 spots will air at the station's discretion, and may be pre-empted for fixed spots or pre-emptible with notice spots, without advance notice to the purchaser. The station does not guarantee that spots purchased in this class will clear, and make-goods will be offered to advertisers whose spots are pre-empted.

5. Level Five (5) - (Rotators Immediately Pre-Emptible Without Makegoods)

Level 5 spots will air at the station's discretion, and may be pre-empted for fixed spots, pre-emptible with notice spots, and immediately pre-emptible with make-goods spots, without any advance notice to the purchaser. The station does not guarantee that spots purchased in this class will clear, and may or may not provide make-goods to advertisers whose spots are pre-empted.

6. Level Eight (8) - (Direct Response / Per Inquiry)

Level 8 is reserved for direct response and per-inquiry advertisements. Spots in this class will air when and as time is available, in the best time available. Level 8 spots are cleared and scheduled to fill in unsold inventory and are subject to preemption for an advertiser purchasing time in any of the classes

described above. THE STATION WILL AIR AS MANY ORDERED ROS SPOTS AS POSSIBLE WITHIN THE FLIGHT DATES SPECIFIED BY THE ADVERTISER. IF ANY ORDERED SPOTS ARE NOT AIRED WITHIN THE FLIGHT DATES, THE ADVERTISER WILL RECEIVE A CREDIT. NO MAKE-GOODS OR PRIOR NOTIFICATION WILL BE OFFERED FOR PREEMPTED SPOTS OF THIS CLASS.

The basic periods (programs and rotations) for which the station sells time are shown on the attached rate card, together with the station's currently projected 30-second rates for those periods. The projected 30 second rates listed on the rate card reflect all volume and other discount privileges available to commercial advertisers on the station. CANDIDATES SHOULD NOTE THAT THE STATION'S PREEMPTIBLE RATES FLUCTUATE ON A DAILY BASIS AND THAT THE STATION'S "LOWEST UNIT CHARGE" FOR PREEMPTIBLE CLASSES IN VARIOUS PERIODS OF TIME IS DETERMINED ON A WEEKLY BASIS IN LIGHT OF SPOTS ACTUALLY CLEARED IN THE WEEK.

If a spot of the same class and length as a candidate's spot actually clears in the same time period at a lower rate during the 45 days before the primary election or the 60 days before the general election, when the candidate or his or her authorized committee is eligible for lowest unit charge, the station will rebate the difference in rates to the candidate. The station plans to review its records and to send candidates rebates on a weekly basis. Candidates will be given the option of taking a credit against future time purchases in lieu of a cash rebate.

Rotations other than those shown on the attached rate card are available upon request. Please contact the station for information.

The station does sell political advertising time in its local news and public affairs programming. It will also sell news adjacencies (the breaks immediately before and after regularly scheduled news and public affairs programs) to political candidates. News adjacencies will be priced at the same rate as the station charges commercial advertisers for time of the same class and length in the adjacent news program.

The station sometimes offers merchandise or other non cash incentives to commercial advertisers who purchase time in specified programs or quantities. The station will make non cash incentives having more than a *de minimis* value available to political advertisers on the same terms on which they are offered to commercial advertisers, where doing so will not imply an endorsement of the candidate by the station. Please contact the station for information.

The station will make program length time available to candidates for federal offices (but not to state or local candidates). Requests for such time will be considered on a case by case basis. Contact the station for information and rates.

B. AVAILABILITIES

The station will provide written availabilities to candidates in response to time requests. At the time it provides availabilities, it will also provide its good faith estimates, based on facts known at that time, of: (1) the likelihood that time of each requested class will clear in an advertiser's requested time period; (2) the lowest unit charge for time of each requested class in the requested time period; and (3) the station's then current "street rate" for time in the requested time period.

All orders are subject to availability of the requested time. The station will not confirm requests for time in particular periods until availabilities have been cleared and spots have been scheduled. The station does not afford "product protection" to any advertiser. Thus, where scheduling so dictates, candidates' spots may be aired "back-to-back" with their opponents' spots.

Candidates purchasing time at the rates shown on the rate card will receive as much preemption protection as any advertiser purchasing time of the same class.

C. MAKE-GOODS

If a candidate spot of any class entitled to make-goods is preempted or fails to run as scheduled for technical or similar reasons, the station will offer the candidate a make good to be broadcast before the election. Make goods will consist of one or more spots with an aggregate value comparable to that of the preempted spot. In

many cases, the offered make goods will consist of a combination of spots 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.

Preempted Level 8 spots will be rescheduled and cleared when, as, and if further time is available within the flight dates specified by the advertiser. If all ordered spots are not broadcast within the specified flight dates, the advertiser will receive a credit against future purchases or a cash rebate, at its option.

The station sometimes sells time on the basis of ratings and demographic delivery targets specified and agreed on by the advertiser and the station at the time a contract is entered into. Please contact the station for more information.

D. ELIGIBILITY FOR LOWEST UNIT CHARGE

The station will provide its lowest unit rate to legally qualified candidates and their authorized committees for candidate-authorized uses in the pre-election period 45 days before a primary election and 60 days before a general or special election.

A federal candidate is only eligible to receive the station's lowest unit rate if the candidate, or the candidate's authorized committee, provides a certification that he or she will not make a direct reference in a spot to another candidate for the same office unless the spot complies with enhanced Bipartisan Campaign Reform Act ("BCRA") disclosure requirements. To satisfy the enhanced BCRA disclosure requirements, the spot must contain both a clearly identifiable photo or image of the candidate and a clearly readable printed statement that identifies the candidate, and states that the candidate has approved the spot, and that the candidate's authorized committee paid for the spot. The photo and printed message must appear simultaneously at the end of the spot for at least four (4) seconds. 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 the station's lowest unit rate for the remainder of the time leading up to the election for that office.

E. ORDERING PROCEDURES

Orders for political time will not be considered "firm" until the station has received the following:

- (a) A completed and signed political contract form;
- (b) Where applicable, a list of members of the executive committee or board of directors of any corporation, committee, association, or other group purchasing the time;
- (c) Proof satisfactory to the station that the purchaser is authorized to buy time for the candidate and that the candidate is legally qualified; and
- (d) Advance payment for the ordered time.

Tapes or electronic copies of political advertisements should ordinarily be submitted to the station not less than 48 hours before the advertisement's first scheduled air date. Written instructions for airing should accompany the tape. The station will accept changes in airing instructions only if they are in writing and are sent to the station not less than 48 hours before the affected spots are scheduled to air.

The station will review all political advertisements to determine whether they are "uses," whether they carry proper sponsorship identification, and whether they conform to the agreed upon length and to the station's and FCC's technical standards. Advertisements that are not "uses" or that do not conform to length specifications or technical standards will be rejected.

F. ADVANCE PAYMENT

The Station requires payment for advertising time in full prior to the running of the first spot on the schedule. The Station requests that such payment be made at least one (1) day prior to the running of the first spot in the schedule. For multi-week schedules, payment is required the day before the spot is to air. Payment is to be made by any of the following methods: cash, certified check, bank check, credit card, money order, authorized campaign committee check or wire transfer.

The station will evaluate requests from candidates for credit on the same basis as it uses to evaluate such requests from similarly situated commercial advertisers. In addition, if the candidate's advertising agency accepts full responsibility for payment of time charges in writing and qualifies for credit under the standards used by the station to evaluate credit requests from commercial advertisers' advertising agencies, the station will extend credit to the candidate's agency. Please contact the station for information.

No political advertisement will, under any circumstances, be aired before payment has been received, or acceptable credit arrangements have been made, for all applicable time charges.

G. SPONSORSHIP IDENTIFICATION REQUIREMENTS

The Station requires all political ad advertisements to include sponsorship identification that is properly incorporated into the advertisement spot pursuant to Federal Communications Commission rules and regulations, Federal Election Commission rules and regulations and applicable state and local law.

The FCC requires political spots to contain visual sponsorship identification in letters not less than 4% of total picture height broadcast for not less than four seconds. If the political advertisement does not include the required sponsorship identification, the Station will insert it into the advertisement and will charge candidates for production costs in doing so on the same basis as would be applicable to commercial advertisers.

Federal Election Commission rules require that a spot authorized by a federal candidate or the candidate's committee include a statement that identifies the candidate and states that he or she has approved the communication. The federal candidate must convey the statement either through an unobscured, full-screen view of the candidate making the statement or through a voice-over by the candidate, accompanied by a clearly identifiable photographic or similar image of the candidate, which must be at least 80% of the vertical screen height. The end of the spot must include a similar statement in writing. The written statement must appear in letters no smaller than 4% of the vertical picture height and must remain on screen for a period of at least four seconds. The written statement should also state the name of the person or entity that sponsored or paid for the spot.

THE STATION WILL NOT ADD TIME TO THE LENGTH OF A SPOT TO ACCOMMODATE SPONSORSHIP IDENTIFICATION.

H. STATION ACCESS AND CHANGE / CANCELLATION PROCEDURES

The business hours of the Station are Monday through Friday, 8:30AM until 5:30PM (Eastern Standard Time). All Station advertisers (including political advertisers) can reach a Station representative during such hours.

The station will make production facilities available for political advertisements and programs. Production charges are handled separately from time charges. Contact the station for information and rates.

All orders, tape instructions or changes must be in writing. The station may be able to accommodate last-minute changes to contracts or tape instructions, but it cannot guarantee that it will be able to honor requests made less than 8 hours before a spot is to air, or outside of regular business hours.

I. TEN AND FIFTEEN SECOND SPOTS

From time to time, the Station will sell a limited number of ten- or fifteen-second spots. Such spots are immediately pre-emptible without notice, unless in natural positions. Ten-second (:10) spots are priced at

50% of the 30-second rate, and fifteen-second (:15) spots are priced at 65% of the thirty-second rate for the relevant class of time and time period.

J. SCHEDULE RECONCILIATION

It is the Station's policy to rectify any errors that occur in the fulfillment of advertising orders when the Station is informed of the error by the advertiser within 90 days after the end of the month in which the advertising aired. The Station will use its best efforts to provide refunds or additional spots to account for any errors within 90 days of notification. For political advertisers, the Station will endeavor to make such corrections in advance of the election, but it cannot guarantee that it will always be able to do so.

K. NON DISCRIMINATION

Stations licensed to Gray Television do not discriminate in the sale of advertising time, and will accept no advertising which is placed with intent to discriminate on the basis of race or ethnicity. The parties to an agreement for the sale of advertising time on a station licensed to Gray Television affirm that nothing in that agreement will discriminate in any way on the basis of race or ethnicity.