

## TERMS AND CONDITIONS

The Advertiser (“Advertiser”), Agency, if any (“Agency” and with Advertiser “Client”), Licensee of Station, if any (“Station”), and Salem Surround (“Media Vendor”)(Salem and Media Vendor may be referred to as “Salem” herein) as each may be set forth on the sales presentation and/or insertion order hereof, hereby agree, except as otherwise provided on the first page hereof, as follows:

**1. Payment and Billing.** Terms are cash with order unless prior credit approval has been granted by Salem, in which case Salem will bill Client at monthly intervals, and Client agrees to pay each bill within fifteen (15) days after the date of each bill. Approved credit card orders will incur an additional **service fee of 3%** of the full amount of the order which must be paid at the time of the order. Invoices shall be deemed to be correct unless Client provides a written objection to Salem within 30 days of the date of invoice setting forth all of the grounds for the objection; affidavits of performance are not a condition precedent to payment hereunder. Notwithstanding to whom invoices are rendered, Advertiser and Agency shall be jointly and severally liable for payment hereunder. Payment by Advertiser to Agency shall not constitute payment to Salem. A **monthly finance charge of 1.5%** shall be made on any amount which is still outstanding thirty (30) days after it becomes due. Partial payment of any bill will be applied to Client’s outstanding charges in the amounts and proportions as solely determined by Salem. No acceptance of partial payment(s) by Salem shall constitute a waiver of any right to collect the full balance owed under the Agreement. Client shall be required to pay Salem all bank charges and fees incurred by Salem resulting from a returned check.

**2. (A) Termination of Station Radio Broadcast Services.** For radio broadcast services purchased by Client, the proposal or agreement that these terms are attached may be cancelled either by Station or Client upon twenty-eight (28) days prior notice. If the proposal or agreement that these terms are attached is terminated by Client prior to the end of the term and includes rates based on a committed dollar amount, or on frequency, duration, or total number of broadcasts or publications, or includes value added elements such as event sponsorship, then Client shall pay a surcharge equal to the difference between the rates in the proposal or agreement that these terms are attached and the rates that are applicable to the actual frequency, duration, or total number of broadcasts or publications and the value added elements provided under the Agreement. If the results of a background check of Advertiser, its officers or owners, or any person hosting or repeatedly appearing for Advertiser in content to be distributed by Station under the proposal or agreement that these terms are attached are not satisfactory, in Station’s sole discretion, or upon the occurrence of an Event of Default, Station may terminate the proposal or agreement that these terms are attached immediately upon notice, which may be verbal or in writing. Any of the following events shall constitute an “Event of Default” on the part of Client: (i) the breach by Client of any of the terms and conditions of the proposal or agreement that these terms are attached or the inaccuracy of any representation or warranty made by Client herein; (ii) the determination, in the sole discretion of Station, that Advertiser at any time has committed an act or become involved in any situation or occurrence tending to bring Station or Salem into public scandal, ridicule or which will reflect unfavorably on the reputation of Station, Sale, its owner, its subsidiaries, affiliates or affiliated entities including, without limitation, inappropriate fundraising activities by Client or the improper use or application of funds received by Client; or (iii) the determination, in the sole discretion of Station, that the financial integrity of Advertiser is compromised. UPON CANCELLATION BY STATION DUE TO AN EVENT OF DEFAULT BY CLIENT, ALL CHARGES FOR BROADCASTS AND PUBLICATIONS COMPLETED HEREUNDER AND NOT PAID SHALL BECOME IMMEDIATELY DUE AND PAYABLE, AND CLIENT SHALL ALSO PAY, AS LIQUIDATED DAMAGES AND NOT AS A PENALTY, A SUM EQUAL TO (I) THE AMOUNT THAT CLIENT WOULD HAVE BEEN OBLIGATED TO PAY HEREUNDER IF, ON THE DATE ON WHICH STATION TERMINATES THE AGREEMENT, CLIENT HAD GIVEN A 28 DAY NOTICE OF TERMINATION PURSUANT TO THIS SECTION AND (II) THE ACTUAL, NON-CANCELABLE OUT-OF-POCKET COSTS NECESSARILY INCURRED BY STATION THROUGH THE DATE OF SUCH TERMINATION. IN RECOGNITION OF THE RELATIVE RISKS AND BENEFITS OF THE PROPOSAL OR AGREEMENT THAT THESE TERMS ARE ATTACHED TO BOTH CLIENT AND STATION, IN NO EVENT SHALL STATION’S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THE PROPOSAL OR AGREEMENT THAT THESE TERMS ARE ATTACHED, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE AMOUNTS PAID BY CLIENT TO STATION PURSUANT TO THE PROPOSAL OR AGREEMENT THAT THESE TERMS ARE ATTACHED PLUS THE AMOUNT CLIENT WOULD HAVE BEEN OBLIGATED TO PAY HEREUNDER FOR THE 28 DAY PERIOD FOLLOWING THE DATE ON WHICH THE BREACH OR TORT FIRST OCCURRED.

**(B) Termination of Digital Marketing Services; Autorenewal; Site Transfer Fee.** For Salem Surround or other services that do not involve radio broadcasting purchased by Client from Media Vendor, the proposal or agreement that these terms are attached to may **not** be cancelled by either party prior to the scheduled expiration of purchased services without additional costs. In addition, the term of the agreement shall automatically continue beyond the stated expiration date and for successive renewing periods of 30 days each (the “Autorenewal Period”) without further action required by either party; either party may terminate this agreement at any time during the Autorenewal Period by providing at least 30 days’ prior written notice of such termination. In the event of an early cancellation, Client shall pay an additional termination fee to Media Vendor equal to the reasonable estimate by Media Vendor of any additional fees or costs incurred by Media Vendor as a result of such early termination (“Early Termination Fee”); provided, however, that the Early Termination Fee shall in no event be greater than all remaining fees payable from the termination date through the end of the service term for each product or service offered hereby. Upon the occurrence of an Event of Default, Media Vendor may terminate the proposal or agreement that these terms are attached immediately upon notice to Advertiser. Any of the following events shall constitute an “Event of Default” on the part of Advertiser: (i) the breach by Advertiser of any of the terms and conditions of the proposal or agreement that these terms are attached; (ii) the determination, in the sole discretion of Media Vendor, that the financial integrity of Advertiser is compromised including, without limitation, inappropriate fundraising activities by Advertiser or the improper use or application of funds received by Advertiser; and (iii) the determination, in the sole discretion of Media Vendor, that Advertiser has committed an act or is involved in any situation or occurrence tending to bring Media Vendor into public scandal, ridicule or which will reflect unfavorably on the reputation of Media Vendor, its owner, its subsidiaries, affiliates or affiliated entities, including, without limitation, any instance of moral failure of any person or persons associated with the business or ministry of Advertiser. Upon termination, Media Vendor will assess a \$250 transfer fee which, upon payment by Advertiser, will cause Media Vendor to promptly transfer to Advertiser (A) all content, files and graphics from their Dev Hub website designed by Media Vendor hereunder and paid for in full, and (B) a copy of on page content, files, graphics, and screen shots of the website designed by Media Vendor and paid for in full.

**3. Delivery of Services by Salem.** Any services agreed to by Salem, including without limitation and spot advertisement, digital impression, video impression, e-mail delivery, or related service (“Contracted Services”), may be fulfilled by Salem over the duration of any campaign or contract period described in the order to which these terms and conditions are attached. For avoidance of doubt, and even if a specific date schedule is included on a campaign order, Salem may fulfill the Contracted Services at any time during specified campaign period or contract

## TERMS AND CONDITIONS

term. If Client requests, Salem will deliver updates as to the estimated pacing and estimated fulfillment of the Contracted Services during a campaign period.

**4. Indemnification.** Client shall defend, indemnify and hold harmless Salem, its owner, and affiliated entities and their officers, directors, stockholders, partners and employees from and against all claims, damages, liability, costs and expenses (including without limitation, interest, penalties, court costs, attorney's fees and expenses) resulting from or arising out of: (i) the development, production, supply, delivery, or content of any programming, advertisement, e-mail, social media post, and images provided by Client or any material provided by Client, including promotional material, data, user information, trademarks, trade names, service marks, titles and logos of Advertiser (collectively "Client Materials"), (ii) any libel, slander, illegal competition or trade practice, false advertising, product liability, violation of rights of privacy or publicity, infringement of copyrights (other than public performance music license fees payable to ASCAP, BMI and/or SESAC) or other rights of third parties arising out of any Client Materials or products or services advertised therein, (iii) violations of any federal, state local, or foreign law relating to the Client Materials; (iv) any breach by Client of the terms of the proposal or agreement that these terms are attached or (v) any wrongful or negligent acts or omissions of Client. The obligations of Client under this Section 3 shall survive the termination of the proposal or agreement that these terms are attached.

**5. Representations and Warranties.** By signing the proposal or agreement that these terms are attached to, or by paying for such services as outlined in Client's proposal, Client warrants and represents as of this date and the date of each delivery of Client Materials, that (i) Client has the right and power to enter into the proposal or agreement that these terms are attached; (ii) the proposal or agreement that these terms are attached properly conveys to Salem all rights necessary to broadcast and publish the Client Materials as set forth herein; and (iii) Client owns all of the rights it granted to Salem herein, including, but not limited to, all such rights with respect to the Client Materials. Client acknowledges that no inducements, representations or warranties, except as specifically set forth on the face hereof, have been made by Salem to Client and that no representative, agent or employee of Salem is authorized to make any representations or warranties with reference to the proposal or agreement that these terms are attached other than as set forth on the face hereof and Client should not rely on any such statement. SALEM HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, TO THE FULLEST EXTENT PERMITTED BY LAW. SALEM SHALL NOT BE LIABLE FOR SPECIAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES ARISING OUT OF OR RELATING TO THE PROPOSAL OR AGREEMENT THAT THESE TERMS ARE ATTACHED OR THE TRANSACTIONS CONTEMPLATED HEREBY, NO MATTER WHAT THE CAUSE, CLAIM OR THEORY FOR SUCH DAMAGES MIGHT BE, EVEN IF SALEM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

**6. Notice.** Except as otherwise specifically provided herein, each notice, consent, approval or request to be given hereunder, including legal process, shall be given in writing, either by personal delivery, overnight delivery service, U.S. Postal Service certified mail, or by facsimile or e-mail with attached .pdf or similar scan and with the original sent the same day by certified mail to the parties at the respective addresses set forth on the first page hereof or at such other substitute address as either may designate by notice given in the same manner. Notice by U.S. Postal Service certified mail shall be deemed received on the fifth (5<sup>th</sup>) business day following mailing thereof with all charges prepaid. Notice by any other means shall be deemed delivered upon its actual receipt.

**7. Programming & Materials.** In the event the Client Materials are not delivered to Station sufficiently in advance of the broadcast or publication time to be properly broadcast or published, or do not meet with all technical, production and content standards of Station, in the sole discretion of Station, Station shall have the right to broadcast or publish a substitute program, announcement, or image, and Client shall remain liable for the full amount due had Station broadcast or published the Client Materials. Without prior written approval by Station, Client shall not broker nor resell to another entity any portion of the broadcast or publication rights provided to Client under the proposal or agreement that these terms are attached. Station reserves the right to refuse to broadcast or publish any Client Materials which Station believes, in its sole discretion, to be unsatisfactory, unsuitable for its audience or contrary to the public interest. The proposal or agreement that these terms are attached and the obligation of Station to broadcast or publish any Client Materials hereunder is subject to all applicable federal, state and local rules and laws, including those of the FCC. If Station preempts or fails to broadcast or publish all or a material part of a scheduled broadcast or advertisement and Station and Client cannot agree upon a substitute time period for the broadcast or publication, the charges relating thereto shall be appropriately reduced. Station shall have no other liability to Client as a result of any interruption or omission of the broadcast or publication of Client Materials. Station shall have the right to use the Client Materials in connection with any promotional activity of Station. Station shall not be required to return Client Materials, and shall not be responsible for loss or damage thereto.

**8. Resolutions of Claims and Disputes.** Regardless of the place of execution, the proposal or agreement that these terms are attached to shall be deemed to be an agreement made in the largest city of the home Arbitron radio market served by Station or, if the proposal or agreement that these terms are attached to is with Media Vendor rather than Station, in Camarillo, CA ("Market") and shall be interpreted as an agreement to be performed wholly in the Market. The laws of the Market shall be applied without regard to the principles of conflicts of laws. Client expressly waives any presumption or rule, if any, which requires the proposal or agreement that these terms are attached to be construed against Salem. In the event a suit or action is filed to enforce any provision of the proposal or agreement that these terms are attached, the prevailing party shall be reimbursed by the other for all costs and expenses in connection with the suit or action, including without limitation, attorneys' fees, arbitration fees, collection agency fees, management fees (deemed to be not less than Three Hundred Dollars (\$300)) and any other cost or expense, incurred in collecting any amount due.

**9. Nondiscrimination.** Salem does not discriminate in any contract for programming or advertising on the basis of race or ethnicity and all such contracts will be evaluated, accepted, negotiated and completed without regard to race or ethnicity. Any provision in any contract or order for advertising that purports to discriminate on the basis of race or ethnicity, even if handwritten, typed, or otherwise made a part of a particular contract is hereby rejected.

**10. Miscellaneous.** Neither party shall be liable for any delay or failure in performance of any part of the proposal or agreement that these terms are attached from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, government regulations, major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or facilities, theft of copper or other equipment or acts of vandalism at Salem's facilities, or act or omissions of common carriers. If any portion of the proposal or agreement that these terms are attached shall be held to be illegal, invalid, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and the proposal or agreement that these terms are attached shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Additionally, in lieu of each such illegal, invalid or unenforceable provision, there shall be added automatically as part of the proposal or agreement that these terms are attached a provision as similar to such former provision as shall be legal, valid, and enforceable. The provisions of the proposal or

## TERMS AND CONDITIONS

agreement that these terms are attached by and between Salem and Client shall apply to, bind and inure to the benefit of Salem and Client, their respective successors, legal representatives or assigns. This proposal or agreement that these terms are attached to is not assignable by Client. Except for the terms of any Salem credit application signed by Client, the proposal or agreement that these terms are attached to contains the entire understanding and agreement between the parties hereto relating to the subject matter contained herein. No additions, changes or modifications shall be binding unless reduced to writing and signed by the parties.

**11. Additional Terms Applicable to Radio Broadcast Agreements only.** Client grants all rights required for the broadcast of the Client Materials on the dates and times set forth on the first page hereof to all geographic areas serviced by the Station, including worldwide "broadcast" by means of streaming on the Internet and via mobile telephony and any other manner in which Station distributes its radio broadcast. For programs, Client shall provide Station at least one undated backup tape or CD to be used by Station, in its sole discretion, as a substitute for scheduled programming. Client shall not use any portion of the Client Materials to include content from or promote via broadcast, directly or indirectly, another entity if a benefit (financial or otherwise) has been received or conferred for such inclusion of content or promotion. Client hereby agrees to cooperate with the Station's reasonable actions to ensure proper attribution of listeners to the Client Materials, and the Station reserves the right to take any such actions. Under all circumstances, and without being in breach of the proposal or agreement that these terms are attached, Station shall have the right to substitute a program it deems in its sole discretion to be of greater public importance for the Client Materials. Station shall have no liability for broadcasting all or a portion of a scheduled broadcast at reduced power.

**12. Additional Terms Applicable to Sirius/XM Agreements only.** Station may terminate the proposal or agreement that these terms are attached to immediately and without penalty upon termination of the Salem Communications Corporation License Agreement with Sirius XM Radio, Inc. ("Sirius XM"). In the event Station's right to transmit programming on the Sirius SDARS (but not the XM SDARS) terminates for any reason, then from the date of such termination the proposal or agreement that these terms are attached to shall pertain only to Station's XM SDARS channel, at a rate to be mutually agreed to by Client and Station. Client's obligations of indemnification, defense, and hold harmless under Paragraph 3 hereof shall also extend to Sirius XM, its owner, affiliated entities and their officers, directors, stockholders, partners and employees. Client represents and warrants that it owns all intellectual property rights required for transmission of the Client Materials by Station on Sirius XM SDARS, and that it grants those rights to Station pursuant to the proposal or agreement that these terms are attached to. For audio programs, Client shall provide Station at least one undated backup tape or CD to be used by Station, in its sole discretion, as a substitute for scheduled programming. Programmer agrees that, during the term of the proposal or agreement that these terms are attached to and for six months thereafter, it will not supply any of the programs which are the subject of the proposal or agreement that these terms are attached to any SDARS provider or SDARS radio station, other than Station, in the United States, Canada, or Mexico. Client grants all rights required for the broadcast of the Client Materials on the dates and times set forth on the reverse hereof to all geographic areas serviced by the Sirius XM SDARS, including worldwide "broadcast" by means of streaming on the Internet and via cable and satellite television and mobile telephony and any other manner in which Sirius XM distributes its audio service. Station shall have the right to use the Client Materials in connection with any promotional activity of Station or Sirius XM, and Client grants Station and Sirius XM a limited, nonexclusive royalty-free license to use the names, voices, biographies, and likenesses of all talent appearing in the Programming in connection with such promotional activity. Station shall have no liability for broadcasting all or a portion of a scheduled broadcast to a reduced SDARS coverage area. Client hereby agrees to cooperate with the Station's reasonable actions to ensure proper attribution of listeners to the Client Materials, and the Station reserves the right to take any such actions. Client shall cause all Programming to comply with Sirius XM's program and operating standards made known to the Programmer at any time. Within five (5) business days after the end of each month, Client shall deliver to Station a report, in both written and electronic form and certified by a responsible officer of Client, containing information specified by Station for all musical compositions and sound recordings included or performed in the Programming, other than incidental performances within the meaning of the Copyright Act, during the previous month. The Market for the proposal or agreement that these terms are attached to for the purposes of Paragraph 7 shall be Washington, D.C.

**13. Additional Terms Applicable to Digital/Video/E-Mail Agreements only.** Client grants all rights required for the publication of the Client Materials on the dates and times set forth on the reverse hereof to all geographic areas serviced by the Station, including worldwide publication by means of Internet and via mobile telephony, e-mail, and any other manner in which Station distributes its digital, e-mail, and video services. Client hereby agrees to cooperate with the Station's reasonable actions to ensure proper attribution of viewers and recipients to the Client Materials, and the Station reserves the right to take any such actions. All images, video, and other content to be published by Station must be delivered to Station in file formats and sizes as specified by Station. If the terms of the proposal or agreement that these terms are attached to include any hyperlink to Client's website as part of the publication of the Client Materials, Client grants to Station the right to include such hyperlinks to Client's website, and if Client does not timely provide sufficient information to include a hyperlink to a specific web page as part of the publication of the Client Materials, Station can elect to include a hyperlink to Client's main webpage. In the event of technical difficulties affecting the publication of all or a portion of the Client Materials, Station shall have the option to provide "make good" publication of the Client Materials within ten days that provides at least the equivalent distribution of the Client Materials, in which case such "make good" publication shall satisfy Station's obligations under the proposal or agreement that these terms are attached to with respect to the publication of the Client Materials affected by the technical difficulties.