

These standard terms and conditions are hereby made part of the attached Contract/Agreement (the "Advertising Agreement") by and between the San Francisco Chronicle, a division of Hearst Communications, Inc., ("Chronicle") and the Advertiser named therein and party thereto ("Advertising Party") and its advertising agency, if any ("Advertising Agency", and together with Advertising Party, "Advertiser"). Each such party acknowledges that the following additional terms and conditions are incorporated in and made a part of the Advertising Agreement.

A. ADVERTISING ACCEPTANCE/AGREEMENTS/RATES/COPY REGULATIONS

1. All advertising is accepted subject to Chronicle's approval. The Chronicle shall at all times have the right without liability to reject, in whole or in part, any advertisement scheduled to appear in the newspaper for any reason in Chronicle's sole discretion, even if such advertisement has previously been acknowledged or accepted.

2. All advertising spending during the agreement period contributes towards Dollar Volume Contract fulfillment. Columns, inches or Classified lines purchased during the agreement period contribute to Space Agreements. Contributions to Frequency Agreements are based upon qualifying insertion orders during the agreement period. Fulfillment will be cumulative from the start of the Advertising Agreement. Limitations and restrictions may apply to some advertising categories and separate space or line advertising agreements may be required.

3. General advertising rates are commissionable at 15% only to Advertising Agencies recognized by the Chronicle. Cash discounts are not available. Retail rates are net and non-commissionable and are not available to advertising agencies. No cash discounts are offered. All General advertising is commissionable. All Retail advertising is non-commissionable. General classified advertising in connection with automotive and recruitment is commissionable. All other Classified advertising is non-commissionable.

4. If an Advertising Agreement threshold is exceeded during the initial contract period, the Advertiser may elect to upgrade the commitment level to obtain a more favorable rate going forward. If an Advertiser does not fulfill the annual commitment in the specified time period, the Chronicle will adjust all advertising placed during the Advertising Agreement period to the actual rate earned.

5. It is a condition of this Advertising Agreement that the Chronicle reserves the right to revise (upward or downward) its advertising rates at any time. The revised rates will become effective on the announcement date for all Advertisers ("Effective Date") except for Advertisers who qualify for a guaranteed rate for the duration of a previously existing contract.

a. If the Chronicle revises rates, then Advertisers are allowed to continue the Advertising Agreement at the new rates or to cancel the existing Agreement without penalty before the Effective Date of the new rates, provided that advertising performance level at the time of cancellation, in Chronicle's sole judgment, is consistent with fulfilling the original Advertising Agreement at the earned rate, if applicable.

b. If Advertisers elect to take advantage of newly established rates or revise the existing Advertising Agreement performance level to a level with a more favorable rate, then upon proper written approval, the Advertisers affected may be allowed to terminate the existing Advertising Agreement without penalty, if Chronicle determines that the advertising performance level at the time of cancellation is consistent with fulfilling the original Advertising Agreement. A new Advertising Agreement will be signed at the new Advertising Agreement level rate, superseding the prior Advertising Agreement.

c. If an Advertiser decides to cancel the existing Advertising Agreement to take advantage of a new lower rate and has not performed at a level that, in Chronicle's sole judgment, would be sufficient to fulfill the existing Advertising Agreement, then the Advertiser will be billed the difference between the Advertising Agreement rate and the rate earned prior to cancellation in accordance with the rate schedule applicable prior to the revision.

6. Words such as "advertisement" will be placed with a minimum point size of 14 at the top of copy that, in Chronicle's opinion, resembles editorial matter.

7. Advertising policies, terms, conditions and general information in the Rate Card Standard Terms and Conditions are subject to change at any time by the Chronicle. Chronicle will not be bound by any condition appearing on order blanks or copy instructions submitted by or on behalf of the advertiser when such condition conflicts with any provision contained in its rate card or with its terms and conditions. Terms in advertising orders that do not conform to the rates or terms and conditions on the existing rate card(s) will be regarded as clerical errors. Copy accompanying such orders will be inserted for publication and charged at the applicable effective rate.

8. The Chronicle shall not be responsible for orders, cancellations, corrections or copy given over the telephone. Written confirmation of any of the above must be received within sufficient time (as may be determined by the Chronicle) to allow Chronicle implementation or the advertising will be billed as originally ordered at corresponding rates.

9. The Advertiser and/or Chronicle shall designate the width in columns and the exact depth in inches to the nearest half inch or Classified line. The Chronicle will bill the advertisement in exact space ordered.

a. The printed image size of ads may vary from the mechanical measurements as a result of production parameters and processing shrinkage.

b. All display advertisements are billed from cut off rule to cut off rule. For in column ads, there is a charge for one cut off rule per liner ad.

c. Standard size advertisements over 19.5 inches in depth and tabloid size advertisements over 11 inches in depth will be charged full column depth of 21.5 inches and 11.5 inches respectively.

10. Display advertisements will be positioned from the bottom of the page. No guarantee is made regarding positioning. Orders specifying positions are accepted only on a request basis, subject to the right of the Chronicle to determine actual positions in its sole discretion. In no event will adjustments, reruns or refunds be made because of the position in which an advertisement has been published.

11. Advertiser is responsible for checking advertising copy for corrections and providing the Chronicle with prompt written notice of errors or changes within the Chronicle's deadlines.

12. Clippings, checking copies or tear sheets must be ordered at the time the ad is placed and fees will be charged for these services.

13. All advertising copy must be accompanied by a layout and correctly marked for processing by Chronicle's composing room. If any changes are required by the Chronicle to conform advertising copy to Chronicle requirements, the time required to make these changes will be billed to the Advertiser at hourly rates currently in effect by the Chronicle.

14. Reasonable commercial effort will be made to return artwork and layouts furnished by Advertisers upon reasonable request, but the Chronicle shall not be held responsible in case of loss or damage.

15. All advertising set and not published within 30 days will be billed and charged production charges at the Chronicle's current rates plus any additional costs incurred by the Chronicle. Production charges are based upon the Chronicle's current production schedules that are available upon request. Claims for adjustment of production charges must be made within 30 days of publication.

16. All preprinted advertising inserts must conform to the printing, packing and shipping instructions of the Chronicle. Copies of current instructions are available upon request. Preprints, which fail to conform to these instructions, will be subject to applicable charges for labor and late delivery, and other costs incurred by the Chronicle. All preprint delivery complaints must be received at the Chronicle's offices within three (3)

days of distribution. The Chronicle cannot guarantee that all preprints will be inserted, or that every newspaper distributed will include a particular preprint. Advertiser understands and accepts that the Chronicle shall not have any liability for less than complete insertion of any preprints.

B. CREDIT AND BILLING POLICY

1. All rates are net, cash with order, unless credit has been approved in writing by the Chronicle credit department. The Chronicle may at any time and at its sole discretion (i) require cash with order in the form of cash, cashier's check or certified funds, (ii) require immediate payment in full of any outstanding balances, (iii) refuse to accept advertising until all past due payments are made, (iv) refuse to publish advertising, or (v) require all or any of the above.

2. All payments are to be made to The Chronicle's offices in San Francisco, California. Checks should be made payable to the San Francisco Chronicle in U.S. dollars. All advertising placed by Advertisers outside the United States must be prepaid in U.S. funds drawn on a U.S. bank.

3. Acceptance and publication of advertising does not constitute an extension of credit to the Advertiser or Advertising Agency. The Chronicle may, at its sole option, extend credit upon completion of an application for credit and/or personal guarantee, along with any other additional information, surety, and credit reference deemed necessary by the Chronicle.

4. Where credit is extended, monthly bills are due upon receipt and should be paid no later than twenty (20) days following presentation (billing date), and weekly bills are due upon receipt and should be paid no later than seven (7) days following presentation (billing date). Continuation of credit privileges and terms is dependent upon full and prompt payment.

5. Any invoice submitted to the Advertiser or its Advertising Agency shall be deemed conclusive as to the correctness of the items contained therein, and shall constitute an account stated unless Advertiser or its agent makes a written objection delivered to the Advertising Manager or Credit Manager within 30 days of such invoice. IF THERE ARE ANY DISPUTES OR DISCREPANCIES, ADVERTISER MUST PROMPTLY PAY ALL AMOUNTS NOT SUBJECT TO DISPUTE, and present to the Advertising Manager and Credit Manager, in writing, a complete and detailed explanation of any payment withheld and reasons therefore. Advertiser agrees to cooperate with the Chronicle in the prompt resolution of disputes. Failure to receive tear sheets or checking copies is NOT recognized as a valid reason to withhold payment or a material breach of the Advertising Agreement.

6. Advertising Agencies that sign Agreements or receive invoices on behalf of Retail and Classified Advertisers are acting as the agent of these Advertisers. Local rate Advertisers are at all times liable for payment of all account balances due and all other liabilities, unless Chronicle and Advertising Agency agree in writing that Advertising Agency accepts the obligation to pay local rate Advertiser's liabilities. Local rate Advertisers are deemed to receive refund payments, adjustments, notices and all other documents when the same are delivered to their agents. Any language in any Advertising Agency's insertion order or other documents to the contrary is void and without effect.

7. Notwithstanding to whom bills are rendered, General rate Advertiser and Advertising Agency, jointly and severally, shall remain obligated to pay to the Chronicle the amount of any bills rendered by the Chronicle within the time specified and until payment in full is received by the Chronicle. Payment by Advertiser to Advertising Agency or any third party shall not constitute payment to the Chronicle.

8. Advertising submitted with insertion orders or other forms, which deny liability for payment, will not be accepted unless the submitting Advertising Agency satisfies at least one of the following conditions:

- a. Signs a "Confirmation of Liability for Payment" form, which supersedes the denial of liability for payment in any and all insertion orders received from that agency; or,
- b. Prepays for the advertising submitted with such a denial of liability.
- c. Advertising agencies submitting agreements or orders limiting their sequential liability will be required to submit a Letter of Guaranteed Payment by their advertising client.

C. TERMINATION/CANCELLATION

1. Advertising Agreements can be canceled by either party upon giving thirty (30) days written notification. Cancellation does not relieve parties of liability for any existing obligations for advertising publicized pursuant to the applicable rate card. If the Advertising Agreement is terminated by the Chronicle for reasons other than non-payment and the cancellation does not permit the Advertiser an opportunity to fulfill the Advertising Agreement performance requirements, the amount due and payable will be the amount billed or the space actually used at rates consistent with fulfilling the Advertising Agreement.

2. Advertising Agreements are subject to immediate cancellation if bills are not paid by the due date and in cases where it is determined the Advertiser does not qualify for the Advertising Agreement rate. If cancellation is for non-payment of bills at due date, the entire amount receivable shall become due and payable and any existing agreement terminated at the option and discretion of the Chronicle without notice.

3. The Chronicle shall have the right to cancel an order at any time. In the event of termination, the Advertiser or its agent shall pay for the space actually used at the rate earned in accordance with the current rate structure.

D. REPRESENTATIONS AND WARRANTIES

1. Each of Advertising Party and Advertising Agency hereby represents and warrants to Chronicle that:

- a. Each has the right to authorize its publication and is fully authorized and licensed to use (i) the names and/or the portraits or pictures of persons, living or dead, or of things, (ii) and trademarks, service marks, copyrighted, proprietary or otherwise private material, and (iii) any testimonials contained in any advertisement submitted by or on behalf of the Advertiser, and that such advertisement is not libelous, an invasion of privacy, violative of any third party's right, deceptive or otherwise unlawful;
- b. Each has complied with all federal, state and local laws and regulations of any kind, including but not limited to such laws that prohibit discrimination in employment, housing or other activities, or that regulate advertising in any form or manner; and further, each has relied on its own counsel on such matters and not on any advice express or implied by any Chronicle employee pertaining to the legality of any advertising or practice whatsoever;
- c. Each will promptly provide the Chronicle, upon its demand, proof of the truth of any statements made in advertisements, substantiation of any claims made in advertisements, and proof of the Advertiser's compliance with any federal, state or local law or regulation pertaining in any way to advertising;
- d. Each as part of the consideration and to induce the Chronicle to publish such advertisement, the Advertiser and its Advertising Agency agree(s), jointly and severally, to protect and indemnify the Chronicle, its parent, affiliates, subsidiaries, stockholders and the directors, officers and employees of the Chronicle in which the advertisement appears against any and all liability, damages, loss or expense of whatsoever nature, including attorneys' fees and costs, arising out of the copying, printing or publishing of such advertisement including, but not limited to, claims for libel, slander, deceptive statements, unfair trade practice, unfair competition, infringement of trademarks, copyrights, proprietary rights, trade names, or patents, and invasion or violation of rights of privacy resulting from publication of such advertisement;
- e. The Advertiser and its Agency agree to and do indemnify and save harmless the Chronicle from all loss, damage, and liability, growing out of the failure of any contest or sweepstakes inserted by them for publication to be in compliance and conformity with any and all laws, orders, ordinances, and statutes of the United States, or any of the States or subdivisions thereof.

E. LIMITS OF LIABILITY

1. The Chronicle shall not be liable to the Advertiser for any errors in any advertisement, except for failure to correct errors clearly and unambiguously marked by the Advertiser on proofs returned to the Chronicle within the Chronicle's deadlines, and in no event shall any such liability exceed the rate per inch for that portion of the advertisement in error as published on one day. Liability of the Chronicle for the omission of any portion(s) of any issue(s) of the newspaper in which it is scheduled to appear shall be limited to the amount chargeable for the omitted portion(s) of the advertisement on one day at the applicable rate per column inch or line. The Chronicle makes no guarantee that every advertisement will be published on the date ordered, and will make no adjustment for advertisements not published on the date ordered, or at all. No rebate will be allowed for insertion of wrong key numbers.

2. The Chronicle shall not be liable for any consequential damages, whether or not foreseeable, which may occur because of an error in any advertisement, or any omission of a part or the whole of any advertisement. All error claims must be submitted within 30 days of publication.

F. MISCELLANEOUS

Advertiser agrees that no representations of any kind have been made to Advertiser by Publisher or by any of its agents and that no understanding has been made or agreement entered into other than as set forth herein.

This Agreement and the rights and obligations hereunder are personal to Advertiser and/or Advertising Agency and may not be assigned by any act of Advertiser and/or Advertising Agency or by operation of law, change of control of Advertiser and/or Advertising Agency or otherwise without the prior written consent of Chronicle, in its sole discretion.

If any provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other provision, and such invalid or unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement. To the full extent, however, that the provisions of any applicable law may be waived, they are hereby waived to the end of this Agreement and this modified Agreement shall be deemed a valid and binding agreement enforceable in accordance with its terms.

Advertiser agrees that the placement and publication of advertising is governed by the laws of the State of California and that the City and County of San Francisco is the location of the principal place of business of the Chronicle, and shall be the forum of any legal action between the Chronicle and Advertiser relating to advertising placed or published.

The Chronicle shall not be liable for failure to publish all or any portion of the advertising which is the subject hereof when such failure results directly or indirectly from fire, flood, earthquake, other acts of God, strikes, lockouts, other labor difficulties, acts of the public enemy, riots, insurrections, government regulations, or any other cause or event beyond their control.