



Jack Gerard
President and Chief
Executive Officer

1220 L Street, NW
Washington, DC 20005-4070
USA
Telephone 202 682-8500
Email gerardj@api.org
www.api.org

Blue Advertising, LLC
1875 Eye Street, N.W., Suite 900
Washington, DC 20006

This letter of agreement between the American Petroleum Institute (hereinafter "API") and Blue Advertising, LLC (hereinafter "Consultant") is as follows:

1. API authorizes Consultant to provide advertising strategy, creative, production, and advertisement placement services for API's television, print, online, radio and out-of-home advertisements for API's 2015 "energy literacy" campaigns, as specified in Consultant's proposal, which is attached and made a part hereof. Consultant will assume responsibility for supplying the creative for the
2. Consultant agrees Robert McKernan shall be the project manager. Consultant shall give API prior written notice of the replacement or reduction in the level of effort of the project manager. API shall have the right to approve a reduction in effort and, in the case of replacement of the project manager, API shall have the right to approve a successor.
3. Technical and administrative aspects of this agreement will be under the direction of Linda G. Rozett, Vice President, Communications, American Petroleum Institute, 1220 L Street, NW, Washington, D.C. 20005, or as otherwise designated. The API representative for work conducted hereunder is Jocelyn Kelly. Consultant shall send all correspondence and reports relating to this agreement to the designated representative's attention at the foregoing address.
4. Consultant agrees to perform all its obligations hereunder for an amount not to exceed \$26,000,000, as follows:
 - Lady in Black:
 - Energy Tomorrow:
 - Vote4Energy:
 - a. The parties agree that in return for advertising strategy, copywriting, creative (including design), production oversight, media planning/placement and management, Consultant will receive the following compensation from API:

Gross media placements are the rate media outlets quote agencies to buy advertising space. Agencies pay net media cost, or 85% of the annual gross media placement. The net media cost plus the 7.6% commission on the annual gross media placement equals the ad placement and commission budget listed above.

An equal opportunity employer

In the event the ad placement budget is increased, the parties agree to execute an amendment to this agreement outlining the new budget and commission percentage.

- b. Media placement money, including commissions, will be due to Consultant when placement is made. Consultant will invoice API for image rights/original photography, print mechanicals, radio/television production and travel and miscellaneous out-of-pocket expenses (e.g., overnight delivery charges) at cost, with no agency mark-up (all such invoices are due 30 days from the date of invoice). API will approve the radio/television production budget prior to production and will pay half of the total budget prior to commencement of production with the balance due immediately upon completion of production. Consultant will pay all fees to media outlets for ad placement.
- c. Consultant will develop a budget, to be agreed upon by both parties, for each advertising production project, to include media placement costs, commissions and production costs. Each advertising production project will be subject to the following conditions:
 - API will pay Consultant media placement money, including commissions, when placement is made. Consultant will pay all fees to media outlets for ad placement.
 - In addition, API will pay 50% of the production budget for each project to Consultant prior to commencement of production. Consultant will notify Ms. Kelly when total production costs reach 80% of the project budget. At that time, a mutual decision can be made whether the remaining required work can be completed within the budget or whether an adjustment is needed. Notwithstanding this condition, Consultant shall notify Ms. Kelly of all additional production costs exceeding the original agreed upon amount, and shall receive API approval before committing to or incurring any such costs.
 - Within a reasonable time after completion of each advertising production project, Consultant will invoice API for the remaining agreed upon production budget, including image rights/original photography, print mechanicals, radio/television production, and travel and miscellaneous out-of-pocket expenses (e.g., overnight delivery charges) at cost, with no agency mark-up.

5. **Invoicing and Expense Documentation Guidelines.** Consultant agrees to follow the guidelines in Attachment A, *API Invoicing and Expense Documentation Guidelines*, including how to submit invoices for payment, what constitutes allowable out of pocket expenses, and payments that the Consultant may not pay directly on API's behalf
6. This agreement shall be effective upon signature below and shall terminate on December 31, 2015.
7. It is understood that Consultant has sole right to subcontract production and media placement services to vendors of its choosing. Consultant shall be responsible for the performance of and payment to its subcontractors. Such subcontractors are subject to the terms of this agreement, and Consultant shall communicate such to all subcontracting parties for this agreement.

8. Consultant shall render all services during the term of this engagement in accordance with all applicable federal and state laws and regulations. As Consultant's efforts on API's behalf may extend to action within the meaning of the Lobbying Disclosure Act of 1995 (Public Law 104-65), as amended, Consultant will, if applicable, register with and report to Congress under the provisions of that Act. Consultant and any of its assignees agree to comply with the Lobbying Disclosure Act of 1995 (Public Law 104-65), as amended, and any other applicable lobbying or ethics laws and regulations in their performance hereunder, including, without limitation, the Federal Election Campaign Act of 1971, as amended, the Gift Rules Guidelines of the United States Senate and House of Representatives and the Standards of Ethical Conduct of Employees of the Executive Branch. Consultant's relationships with public officials and candidates for public office will be maintained in such a manner as to avoid any impropriety or appearance of impropriety that may be attributed to API. Consultant shall ensure that it, and any of its employees and assignees who are members of the core account team who are performing work under the scope of this agreement, have been informed of the current gift and ethics rules for the House and the Senate, as well as the current terms of the Lobbying Disclosure Act, either by attending formal training or an informal briefing by an individual with requisite knowledge.
9. API understands that Consultant's pre-existing proprietary materials used for work under this agreement shall remain the property of Consultant. Such proprietary materials include, but are not limited to Consultant databases, media lists, media training guides, BrandCare materials and proposals Consultant submits to API that API does not engage Consultant to implement. Notwithstanding any provision of this agreement to the contrary, API shall obtain no ownership rights in or to: (i) materials prepared by Consultant prior to or outside the scope of this Agreement, excluding items API has requested and paid Consultant to develop; and/or (ii) stock photography or any materials obtained from third parties pursuant to license agreements.
10. All advertisements, photography, art work, reports, drawings, drafts, data, print materials/mechanicals and other documents or materials developed hereunder, and the right to copyright such reports, drawings, drafts, data and other documents, whether in electronic media or hard copy, shall be the sole property of API, except to the extent that any such materials are proprietary to Consultant or a third party, as set forth in Section 9 above. API may use its proprietary materials in any manner in which API, in its sole discretion, deems fit and proper, including submission to governmental agencies, use in litigation, or use in other proceedings before governmental bodies. Consultant shall receive approval from API for all advertisements before releasing them for placement. Consultant will not use the aforementioned items or other material developed therefrom, or release the content or findings of the work performed hereunder to parties outside API without prior review and written approval from API, unless they are in the public domain or are otherwise publicly released by API. Consultant agrees to preserve the confidentiality of information furnished hereunder by API.
11. This agreement and its related budget and payments include all session fees payable to talent or other union or guild personnel for their services through December 31, 2015, and all required guild or union pension and welfare contributions attributable to such payments. From and after January 1, 2016, API will be responsible for all payments related to talent services in the radio and television spot(s), without limitation reuse and residual payments and related pension and welfare contributions. If API elects to re-hire Consultant, such payments for reuse of radio and television spots developed under this agreement will be included and payable as part of the budget for a properly executed amendment or separate

agreement with Consultant. In the event API elects not to re-hire Consultant for advertising services after expiration of this agreement, if API decides to reuse the spots developed under this agreement, API shall first execute and deliver to Consultant a Transfer of Rights Assumption Agreement in the format required by AFTRA/SAG or similar entity, naming API as the "Transferee," at no additional cost to API.

12. Consultant will not use any materials, whether draft, final, hard copy or electronic format, developed under this agreement, or release or discuss any information concerning this agreement or the work performed hereunder to parties outside API without prior review and written approval from API, unless such information is in the public domain or has otherwise been publicly released by API.
13. Consultant agrees to preserve the confidentiality of information prepared for API, furnished hereunder by API, or received on behalf of API. To that end, Consultant shall not discuss or otherwise release any information concerning its representation of API and API's member companies or any of the work hereunder to anyone outside API, without prior written approval of API's President, except for reports required by law. This includes media contacts, articles or talks before any audiences. In addition, Consultant shall not place itself in a position where it appears or can be assumed that Consultant is speaking for API or its members, except to the extent that Consultant is acting at API's direction. However, Consultant may identify API as one of its clients in its annual report and other internal materials, but must receive written approval from API's Vice President, Communications before identifying API as one of its clients in external materials.
14. Consultant and API mutually represent and warrant that none of the material contained in any advertisements or other deliverables will violate or infringe upon the propriety or statutory rights of any person or entity, or constitute an invasion of anyone's right to privacy. In the event Consultant or API are alleged to have engaged in any conduct which, if true, would constitute a breach of such warranty, the parties mutually shall defend, indemnify and hold each other and their respective officers, directors, members, employees, and agents harmless from any and all claims or causes of actions, including court costs and reasonable attorneys' fees resulting from such conduct.
15. Notwithstanding any other provision of this agreement, API agrees to hold Consultant harmless for actions brought by third parties for API's negligent acts arising out of the performance of this agreement. Consultant agrees to hold API harmless for actions brought by third parties for negligent acts by Consultant and/or its subcontractors arising out of their performance of this agreement.
16. Consultant shall not use any content, information, processes, knowledge or any copy writable work created under this Agreement or any materials developed therefrom for any other purpose than to satisfy the terms of this Agreement, or release the content or findings of the work performed hereunder to parties outside API, without prior review and written approval from API authorized representative, Jocelyn Kelly, unless such materials are in the public domain or are otherwise publicly released by API. Further, Consultant shall not disclose the existence of this Agreement, its terms, the content or findings of the work performed hereunder to any parties outside API, and shall preserve the confidentiality of information furnished hereunder by API or received on behalf of API.

17. Consultant shall not perform similar work for an entity or individual on matters or issues that conflict with positions taken by API unless Consultant obtains prior written permission from API approval authority Jocelyn Kelly. This restriction shall remain in effect until the contract terminates.
18. This paragraph governs Consultant's obligations with respect to API's information and materials designated as confidential, which includes, but is not limited to, materials and any technical and business information relating to API's activities, products, services, employees, customers, member organizations furnished by API to Consultant; and the existence, terms of this Agreement ("Confidential Information"). Confidential Information does not include information that is or becomes publicly available without act or omission by Consultant or API; was in Consultant's possession before API's disclosure to Consultant; or is lawfully disclosed to Consultant by a third party without restriction on disclosure.

Consultant certifies that it currently is not obligated by any agreement with any other third party to disclose Confidential Information related to this Agreement. Consultant agrees: (i) to use API's Confidential Information only for purposes of performing this Agreement; (ii) to not disclose API's Confidential Information to any third party pursuant to a contractual obligation without prior written approval from API; (iii) prior to disclosing Confidential Information to the extent required by lawful order of a court or government entity, Consultant shall immediately notify API of such order, provide a copy of the order to API, allow API to review and comment on Consultant's response to such order before disclosure, and allow API to seek maximum confidential treatment of the Confidential Information allowed by law; and (iv) to use commercially reasonable efforts to secure against discovery or disclosure of API's Confidential Information.

At the termination of this Agreement, Consultant will return or destroy (at API's election) all Confidential Information in Consultant's possession or control. The terms of this paragraph survive the termination of this Agreement.

19. API shall have the right at all reasonable times mutually agreed to by both parties once per calendar year during the course of the agreement, and for a period of three (3) years following completion of the agreement, to inspect Consultant facilities, including records relating to the work conducted hereunder, for the purpose of insuring conformance with this agreement. Such inspection shall include the right to photocopy records pertaining to work conducted hereunder, excluding individual timesheets and/or personnel records.
20. Consultant and any of its agents agree that they shall comply with and render all services under this agreement in accordance with all applicable federal, state and local laws and regulations.
21. Either party may terminate this agreement by giving 30 days' prior written notice to the other. Upon receipt of such notice of termination, Consultant shall cease incurring costs on this agreement except with the prior approval of API for such costs which are necessary to close out the agreement. In the event of such termination, API's sole obligation will be to reimburse Consultant for actual costs incurred as of the date of termination and subsequent costs incurred with prior approval of API, including legal, uncancellable commitments to third parties. In no event shall such payment include costs and/or anticipated fees for unperformed work or exceed the maximum amount of the agreement as set forth in paragraph 4. Should Consultant elect to terminate this agreement, Consultant agrees to complete any assignments underway, if API so requests.

22. Upon termination of this agreement, Consultant shall return to API any information furnished hereunder by API,.
23. With API's consent, Consultant may assign this agreement to an affiliate. Approval will not be unreasonably withheld.
24. It is understood that Consultant is acting as an independent contractor in its performance of any and all work hereunder and the only obligations assumed by API are those set forth herein. Consultant shall be responsible for payment of all taxes solely based on Consultant's income as may be applicable under the agreement. API shall be responsible for all other taxes, including, without limitation, taxes on the sale or use of goods and services, value added taxes, and general services taxes, imposed by any government or taxation authority, as a result of Consultant's performance of the services.
25. NEITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF, OR RELATING TO THIS AGREEMENT, (WHETHER IN CONTRACT OR IN TORT, OR LEGAL THEORY) SHALL EXCEED THE AMOUNT OF FEES PAYABLE BY API TO CONSULTANT PURSUANT TO THIS AGREEMENT. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE OR OTHER INDIRECT DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST REVENUES OR PROFITS), WHETHER OR NOT NOTIFIED OF SUCH DAMAGES. THIS SECTION SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS AGREEMENT.
26. Upon the reasonable request of API, Consultant agrees to offer testimony in connection with this agreement to governmental bodies (legislative, executive or judicial). API shall pay expenses for such services at Consultant's billing rates in effect at the time the services are rendered.
27. Any change, modification, extension, termination, or waiver of this agreement or any of its provisions must be in writing and signed by the undersigned or their successors.
28. Consultant will not use the trademark or name of the American Petroleum Institute or any abbreviation thereof, in any publicity, advertising, or for other promotional purposes without the prior written approval of API, except as needed to execute its responsibilities under this agreement.
29. The laws of the District of Columbia shall govern this agreement. The parties agree that the only venue for hearing any disputes related to this Agreement shall be the District of Columbia.
30. This agreement may be signed in multiple counterparts that together shall constitute a single agreement. This agreement, including any modifications, waivers, or notifications relating thereto, may be executed and delivered by facsimile, electronic mail, or other electronic means. Any such electronic transmission shall constitute the final agreement of the parties and conclusive proof of such agreement.
31. In the event of inconsistencies between this agreement and its attachments, the express terms of this agreement shall govern.
32. Paragraphs 7-31 shall survive the termination of this agreement.

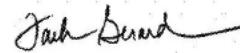
If the above terms and conditions are acceptable, please sign below and return an executed copy of this agreement to API.

Blue Advertising, LLC

[REDACTED]

Date: 2/10/2015 | 2:48 PM ET

American Petroleum Institute



Jack Gerard
President & CEO

Date: 2/10/2015 | 4:48 PM ET

ATTACHMENT A**API INVOICING AND EXPENSE DOCUMENTATION GUIDELINES**

Vendor shall provide this Attachment A to their Account Manager and/or Billing Department

Please review these Guidelines carefully. Incomplete invoices or unsubstantiated expenses will result in payment delays. For questions, contact the API representative named in the agreement. Sections IV, V and VI also apply to invoices submitted for subcontractor expenses.

I. General Invoice Guidelines

1. Invoices shall reference API Contract No.: 2015-109125.
2. Each invoice shall have a unique invoice number that will not subsequently be reused.
3. Unless otherwise specified in the agreement, invoices shall be in US dollars.
4. Invoices must clearly provide a detailed description of the services provided. This includes, but is not limited to, tasks performed, hours worked, and itemized expenses.
5. API may request specific activity/expense itemization on the invoice.
6. Invoices are payable within 30 days of API's receipt of a complete and accurate invoice.
7. API may withhold up to 15% of the agreement amount, pending API's acceptance of all deliverables.
8. API will request a current W-9 and banking information from new vendors; payments shall be contingent upon return of the W-9 to API.

II. Submitting Invoices for Payment

1. API uses Anybill, a third party vendor, to receive and route API invoices for payment.
2. Invoices should be submitted directly to Anybill using one of the methods provided; it is not necessary for API staff to be included on communications to Anybill.
3. Complete invoices shall be submitted to Anybill using one of the following methods:
 - a. Anybill Email (preferred):
 - i. Email submissions should be made up of ONE PDF FILE for each invoice, including supporting documentation.
 - ii. Individual PDF files cannot exceed 9MB. If file exceeds this size, separate invoice & documents into as few PDF files as possible, name them in sequence (i.e., 1 of x), and submit to Anybill in a single email.
 - b. Anybill Fax:

III. Required Supporting Documentation

1. Vendor must provide documentation when seeking reimbursement of expenses of \$75 USD or more.
2. Documentation must clearly show the amount incurred by Vendor (or subcontractor); estimates or quotes are insufficient.
3. Expenses shall be itemized on the invoice, or an attachment to the invoice, such that they match amounts on supporting documentation.
4. Receipts must be legible, oriented upright, and be in the same sequential order as listed in the itemization.

IV. Out of Pocket Expenses

1. Reimbursement of travel expenses is limited to coach class transportation and reasonable accommodations if travel is requested by API.
2. Air travel must include the ticketed itinerary that states the fare amount, taxes, fees, etc. as well as class designation.

3. If upgrading from coach class, Vendor must submit documentation that identifies the coach fare at the time the ticket was purchased, and clearly identifies the amount of overage paid by Vendor.
4. Reimbursement for vehicle mileage shall be at the prevailing IRS rate.

V. Payments to Charitable Organizations, Chambers of Commerce, Business Organizations, Trade Associations

1. If Vendor's proposal provides that payments will be made to charitable organizations, chambers of commerce, business organizations, trade associations, or any other third parties with similar purposes or functions, all such payments shall be made directly by API, and shall not be made by Vendor on API's behalf. Requests for payments by such third parties shall be submitted directly to API via email request made to [REDACTED] and shall reference the above contract number. Such payment requests must include:
 - The full legal name and address of the party to which payment is being made.
 - The party's employee identification number (EIN).
 - The party's tax exempt status (e.g., 501(c)3, 501(c)4, 501(c)6, etc.).
 - Electronic payment instructions (ACH information including ABA routing number and bank account number).
 - Form W-9 for the party to which the payment is being made.
2. Payments made by API pursuant to this provision shall be deducted from the total amount owed by API to Vendor under this agreement. If Vendor makes any payment to a third party described above without complying with the terms of this provision, Vendor shall not be entitled to include the expense of that payment in the total amount owed by API to Vendor under this agreement.

-END-