

## **AGREEMENT FOR THE PRODUCTION OF LOCAL CABLE PROGRAMMING**

**THIS AGREEMENT FOR THE PRODUCTION OF LOCAL CABLE PROGRAMMING** (the "Agreement") is made at Orange, California, as of \_\_\_\_, 2024 (herein referred to as the "Effective Date") by and among the CITY OF ORANGE, a municipal corporation ("City") and CHAPMAN UNIVERSITY, a California nonprofit 501(c)(3) (the "Contractor"), with its principal office for purposes of this Agreement at One University Drive, in the City of Orange, State of California, with reference to the following:

The City desires to have the Contractor produce local origination programming for the City's Local Access Channel 6 and Government Access Channel 3 to provide the broadcasting of local origination programs that promote the community and keep the residents of the City informed on matters of significance to the community.

**NOW, THEREFORE,** the City and Contractor agree as follows:

**1. Scope of Work.** Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to the reasonable satisfaction of City, the services set forth in Exhibit A, which are attached hereto and incorporated herein by this reference. All services provided shall conform to all federal, state and local laws, rules and regulations. The terms and conditions set forth in this Agreement shall control over any terms and conditions in Exhibit A to the contrary.

Channel 6 shall be operated and programmed by Contractor subject to the terms and conditions set forth in this Agreement. Contractor shall provide to the reasonable satisfaction of City the production and broadcasting services set forth in Exhibit A, which is attached hereto and incorporated herein by this reference (hereafter referred to as the "Broadcast Services"). Contractor represents that it is experienced in performing the Broadcast Services and will perform them in a manner consistent with those further defined in Exhibit B.

All Broadcast Services provided shall conform to all applicable federal, state and local laws, rules and regulations. The terms and conditions set forth in this Agreement shall control over any terms and conditions in Exhibit A to the contrary.

**2. Compensation and Fees.** City shall provide Contractor with a grant in the amount of TWENTY-FIVE THOUSAND DOLLARS and 00/100 (\$25,000.00) per quarter to be used for purchase and maintenance of production and broadcast equipment and distribution of local-origination programming for Channel 6. In addition, the City shall provide a grant in the amount of TWENTY THOUSAND DOLLARS and 00/100 (\$20,000.00) per quarter for the establishment of a "Capital Acquisition Fund" to acquire capital assets, such as Mobile Video Production equipment which allow for mobile production capabilities. This grant amount must be kept in a separate account by Contractor. Furthermore, the City and Contractor must mutually agree on the purchase of any capital asset with a value of over ONE HUNDRED THOUSAND DOLLARS and 00/100 (\$100,000.00) that will be used for the production of local programs. These Grants will be paid in accordance with the schedule in Exhibit C. The parties acknowledge that payment by the

City of the grant funds shall be contingent upon the City receiving sufficient public, educational and government fees ("PEG Fees") that are paid by cable television providers to the City under their state franchises, which the City will not pay and Contractor shall not seek funding from any other City source. If the PEG Fees are insufficient to meet the grant obligations of the City, then Contractor may terminate this Agreement, or in agreement with the City amend this Agreement, without waiting the 60-day period. Contractor shall produce an annual report to the City by September 1<sup>st</sup> each year which provides documentation for the equipment purchased through the equipment grant.

Except as provided herein, Contractor shall have the exclusive right to program and operate Channel 6. The City has the right to pre-empt or substitute Channel 6 programs on an as needed basis. The City agrees to assign a City liaison to act as a direct liaison with Contractor as it pertains to the operation of Channel 6.

**3. Reserved.**

**4. Change Orders.** No payment for extra services caused by a change in the scope or complexity of work, or for any other reason, shall be made unless and until such extra services and a price therefor have been previously authorized in writing and approved by the City as an amendment to this Agreement. The amendment shall set forth the changes of work, extension of time for preparation and adjustment of the fee to be paid by City to Contractor.

**5. Licenses.** Contractor represents that it and any subcontractors it may engage possess any and all licenses which are required under state or federal law to perform the work contemplated by this Agreement and that Contractor and subcontractors, if any, shall maintain all appropriate licenses, including a City of Orange business license, at its cost, during the performance of this Agreement.

**6. Independent Contractor.** At all times during the term of this Agreement, Contractor shall be an independent contractor and not an employee of City. City shall have the right to control Contractor only insofar as the result of Contractor's services rendered pursuant to this Agreement. City shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement. Contractor shall, at its sole cost and expense, furnish all facilities, materials and equipment, which may be required for furnishing services pursuant to this Agreement. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its subcontractors, agents and employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever. Contractor acknowledges that Contractor and any subcontractors, agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the City, and that they shall not be entitled to any of the benefits or rights afforded employees of the City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

7. **Contractor Not Agent.** Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, to bind City to any obligation whatsoever.

8. **Designated Persons.** Only those persons designated in Exhibit "A", if any, shall perform work provided for under this Agreement provided that it is understood by the parties that clerical and other nonprofessional work may be performed by other employees of Contractor.

9. **Assignment or Subcontracting.** No assignment or subcontracting by Contractor of any part of this Agreement or of funds to be received under this Agreement shall be of any force or effect unless the assignment has had the prior written approval of City. City may terminate this Agreement rather than accept any proposed assignment or subcontracting. Such assignment or subcontracting may be approved by the City Manager or his designee.

10. **Term and Extension(s).**

a. The initial term of this Agreement shall be for three (3) years commencing April 1, 2024 and ending March 31, 2027, provided however, that the parties may mutually agree to extend the term of this agreement for the following extensions and upon the following terms, unless otherwise amended in writing by the Parties or terminated in accordance with the provisions of Section 19:

- First Extension (the "First Extension Term" commencing April 1, 2027 and terminating March 31, 2028.
- Second Extension (the "Second Extension Term") commencing April 1, 2028 and terminating March 31, 2029.

b. The City Manager is hereby authorized on behalf of the City to give written notice to Contractor of City's intention to exercise each Extension (if at all) no later than thirty (30) days prior to the Expiration Date of the then-current term; provided, however, that City's notice of its intention to extend the term of this Agreement for each Extension shall be expressly conditioned upon and subject to the approval by the City Council. Notwithstanding the foregoing, the Agreement shall not be extended unless the Contractor also agrees to the extension.

c. Any extension, if properly exercised, shall be memorialized in the form of an amendment to this Agreement.

11. **Time Is of the Essence.** Time is of the essence in this Agreement. The parties shall do all things necessary and incidental to the prosecution of the work under this Agreement.

12. **Reserved.**

13. **Delays and Extensions of Time.** Contractor's sole remedy for delays outside its control, other than those delays that are caused by the City, shall be an extension of time. No

matter what the cause of the delay, Contractor must document any delay and request an extension of time in writing at the time of the delay to the satisfaction of City. Any extensions granted shall be limited to the length of the delay outside Contractor's control. If Contractor believes that delays caused by the City will cause it to incur additional costs, it must specify, in writing, why the delay has caused additional costs to be incurred and the exact amount of such cost at the time the delay occurs. No additional costs can be paid that exceed the not to exceed amount absent a written amendment to this Agreement.

**14. Reserved.**

**15. Equal Employment Opportunity.** During the performance of this Agreement, Contractor agrees as follows:

**a.** Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or mental or physical disability. Contractor shall ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, or mental or physical disability. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

**b.** Contractor shall, in all solicitations and advertisements for employees placed by, or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard for race, color, religion, sex, national origin, or mental or physical disability.

**c.** Contractor shall cause the foregoing paragraphs (a) and (b) to be inserted in all subcontracts for any work covered by this Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

**16. Conflicts of Interest.** Contractor agrees that it shall not make, participate in the making, or in any way attempt to use its position as a contractor to influence any decision of City in which Contractor knows or has reason to know that Contractor, its officers, partners, or employees have a financial interest as defined in Section 87103 of the Government Code.

**17. Indemnity.**

**a.** To the fullest extent permitted by law, Contractor agrees to indemnify, defend and hold the City, its City Council and each member thereof, and the officers, employees and representatives of the City (herein referred to collectively as the "Indemnitees") entirely harmless from all liability arising out of:

(1) Any and all claims under worker's compensation acts and other employee benefit acts with respect to Contractor's employees or Contractor's contractor's

employees arising out of Contractor's work under this Agreement; and

(2) Any claim, loss, injury to or death of persons or damage to property caused by any act, neglect, default, or omission other than a professional act or omission of the Contractor, or person, firm or corporation employed by the Contractor, either directly or by independent contract, including all damages due to loss or theft sustained by any person, firm or corporation including the Indemnitees, or any of them, arising out of, or in any way connected with the work or services which are the subject of this Agreement, including injury or damage either on or off City's property; but not for any loss, injury, death or damage caused by the active negligence or willful misconduct of City. The Contractor, at Contractor's own expense, cost and risk, shall indemnify any and all claims, actions, suits or other proceedings that may be brought or instituted against the Indemnitees on any such claim or liability covered by this subparagraph, and shall pay or satisfy any judgment that may be rendered against the Indemnitees, or any of them, in any action, suit or other proceedings as a result of coverage under this subparagraph.

b. Except for the Indemnitees, the indemnifications provided in this Agreement shall not be construed to extend any third party indemnification rights of any kind to any person or entity which is not a signatory to this Agreement.

c. The indemnitees set forth in this section shall survive any closing, rescission, or termination of this Agreement, and shall continue to be binding and in full force and effect in perpetuity with respect to Consultant and his successors.

## **18. Insurance.**

a. Contractor shall carry workers compensation insurance as required by law for the protection of its employees during the progress of the work. Contractor understands that it is an independent contractor and not entitled to any worker's compensation benefits under any City program.

b. Contractor shall maintain during the life of this Agreement, comprehensive general liability insurance or commercial general liability insurance written on an occurrence basis providing for a combined single limit of \$2 million for bodily injury, death and property damage.

c. Contractor shall maintain during the life of this Agreement, automotive liability insurance on a comprehensive form covering all owned, non-owned and hired automobiles providing for a combined single limit of \$1,000,000 for bodily injury, death and property damage.

d. Each policy of general liability and automotive liability shall provide that City, its officers, agents, and employees are declared to be additional insureds under the terms of the policy, but only with respect to the work performed by Contractor under this Agreement. A policy endorsement to that effect shall be provided to the City along with the certificate of insurance, which endorsement shall be on Insurance Services Office, Inc. Form CG 20 10 10 01.

In lieu of an endorsement, the City will accept a copy of the policy(ies) which evidences that the City is an additional insured as a contracting party.

**e.** The insurance policies maintained by Contractor shall be primary insurance and no insurance held or owned by City shall be called upon to cover any loss under the policy. Contractor will determine its own needs in procurement of insurance to cover liabilities other than as stated above.

**f.** Before Contractor performs any work or prepares or delivers any materials, Contractor shall furnish certificates of insurance and endorsements, as required by City, evidencing the aforementioned general liability and automotive insurance coverages on forms acceptable to City. Contractor agrees that the insurance in force will not be canceled or allowed to lapse without at least ten (10) days prior written notice to City.

**g.** Except for professional liability insurance coverage that may be required by this Agreement, all insurance maintained by Contractor shall be issued by companies admitted to conduct the pertinent line of insurance business in the State of California and having a rating of Grade A or better and Class VII or better by the latest edition of Best's Key Rating Guide.

**h.** Contractor shall immediately notify the City if any required insurance lapses or is otherwise modified and cease performance of this Agreement unless otherwise directed by the City. In such a case, the City may procure insurance or self insure the risk and charge Contractor for such costs and any and all damages resulting therefrom, by way of set-off from any sums owed Contractor.

**i.** Contractor agrees that in the event of loss due to any of the perils for which it has agreed to provide insurance, Contractor shall look solely to its insurance for recovery. Contractor hereby grants to the City, on behalf of any insurer providing insurance to either the Contractor or to the City with respect to the services of Contractor herein, a waiver of any right to subrogation which any such insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance.

**j.** Contractor shall include all subcontractors, if any, as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to the City for review and approval. All coverages for subcontractors shall be subject to all of the requirements stated herein.

**19. Termination.** The City, acting through its City Manager or designee, or Chapman, acting through its Executive Vice President and Chief Operating Officer, reserve the right to terminate this Agreement for any reason by providing a 60-day written notice of intent to terminate. Any grant funds due and owing under this Agreement shall be prorated to the date of the termination. Neither party shall be liable to the other party for any claim of lost profits, damages, attorneys' fees, or costs of any kind whatsoever, due to termination of clause. The City shall not be liable for any claim of lost profits.

**20. Maintenance and Inspection of Records.** In accordance with generally accepted accounting principles, Contractor and its subcontractors shall maintain reasonably full and complete books, documents, papers, accounting records, and other information (collectively, the “records”) pertaining to the costs of and completion of services performed under this Agreement. The City and any of their authorized representatives shall have access to and the right to audit and reproduce any of Contractor's records regarding the services provided under this Agreement. Contractor shall maintain all such records for a period of at least three (3) years after termination or completion of this Agreement. Contractor agrees to make available all such records for inspection or audit at its offices during normal business hours and upon reasonable notice from the City, and copies thereof shall be furnished if requested.

**21. Compliance with all Laws/Immigration Laws.**

**a.** Contractor shall be knowledgeable of and comply with all local, state and federal laws which may apply to the performance of this Agreement.

**b.** Contractor represents and warrants that Contractor:

(1) Has complied and shall at all times during the term of this Agreement comply, in all respects, with all immigration laws, regulations, statutes, rules, codes, and orders, including, without limitation, the Immigration Reform and Control Act of 1986 (IRCA); and

(2) Has not and will not knowingly employ any individual to perform services under this Agreement who is ineligible to work in the United States or under the terms of this Agreement; and

(3) Has properly maintained, and shall at all times during the term of this Agreement properly maintain, all related employment documentation records including, without limitation, the completion and maintenance of the Form I-9 for each of Contractor's employees; and

(4) Has responded, and shall at all times during the term of this Agreement respond, in a timely fashion to any government inspection requests relating to immigration law compliance and/or Form I-9 compliance and/or worksite enforcement by the Department of Homeland Security, the Department of Labor, or the Social Security Administration.

**c.** Contractor shall require all subcontractors under this Agreement to make the same representations and warranties as set forth in Section b.

**d.** Contractor shall, upon request of the City, provide a list of all employees working under this Agreement and shall provide, to the reasonable satisfaction of the City, verification that all such employees are eligible to work in the United States. All costs associated with such verification shall be borne by the Contractor. Once such request has been made,

Contractor may not change employees working under this Agreement without written notice to the City, accompanied by the verification required herein for such employees.

**e.** Contractor shall require all subcontractors under this Agreement to make the same verification as set forth in Section d.

**f.** Any Contractor or subcontractor who knowingly employs an employee providing work under this Agreement who is not authorized to work in the United States, and/or fails to follow federal laws to determine the status of such employee shall constitute a material breach of this Agreement and may be cause for immediate termination of this Agreement by the City.

**g.** The Contractor agrees to indemnify and hold the City, its officials, and employees harmless for, of and from any loss, including but not limited to fines, penalties and corrective measures, the City may sustain by reason of the Contractor's failure to comply with said laws, rules and regulations in connection with the performance of this Agreement.

**22. Governing Law and Venue.** This Agreement shall be construed in accordance with and governed by the laws of the State of California and Contractor agrees to submit to the jurisdiction of California courts. Venue for any dispute arising under this Agreement shall be in Orange County, California.

**23. Integration.** This Agreement constitutes the entire agreement of the parties. No other agreement, oral or written, pertaining to the work to be performed under this Agreement shall be of any force or effect unless it is in writing and signed by both parties. Any work performed which is inconsistent with or in violation of the provisions of this Agreement shall not be compensated.

**24. Notice.** Except as otherwise provided herein, all notices required under this Agreement shall be in writing and delivered personally or by first class mail, postage prepaid, to each party at the address listed below. Either party may change the notice address by notifying the other party in writing. Notices may be sent by either e-mail or U.S. Mail. Notices shall be deemed received upon receipt of same or within 3 days of deposit in the U.S. Mail, whichever is earlier. Notices sent by e-mail shall be deemed received on the date of the e-mail transmission.

“CONTRACTOR”

“CITY”

Chapman University  
One University Drive  
Orange, CA 92866  
Attn.: Harold W. Hewitt Jr. COO

City of Orange  
300 E. Chapman Avenue  
Orange, CA 92866-1591  
Attn.: City Manager

Telephone No.: 714-997-6717  
E-Mail Address: hhewitt@chapman.edu

Telephone No.: 714-744-2203  
E-Mail Address: cminfo@cityoforange.org




**25. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures transmitted via facsimile and electronic mail shall have the same effect as original signatures.

**IN WITNESS** of this Agreement, the parties have entered into this Agreement as of the year and day first above written.

**“CONTRACTOR”**

CHAPMAN UNIVERSITY

By:   
Printed Name: Harold W. Hewitt, Jr.  
Title: Executive VP/COO

**“CITY”**

CITY OF ORANGE, a municipal corporation

By: \_\_\_\_\_  
Daniel R. Slater, Mayor

ATTEST:

\_\_\_\_\_  
Pamela Coleman, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Nathalie Adourian  
Senior Assistant City Attorney

√

## **EXHIBIT "A"**

### **BROADCAST SERVICES**

1. Upon execution of this Agreement, Chapman University ("Chapman") shall, at a minimum, produce, direct and broadcast local origination programming as outlined in this Exhibit A in the required statutorily defined standard of National Television System Committee (NTSC) standard definition, but may in its sole discretion, provide such programming in higher definition when available.

1.1 Except for City Council meetings and Planning Commission meetings, Chapman shall provide the City with digital copies of the productions on Exhibit A within 30 days after the original program occurs and is videotaped by Chapman.

1.2 Chapman acknowledges that "programming and broadcasting of local origination programming" as used in this Agreement shall mean all aspects of the production including but not limited to staffing, writing, pre-production, post-production, directing, coordination and broadcasting of said local cable programming including, but not limited to, day to day channel programming and broadcasting.

1.3 Except for those permitting exclusions set forth in Section 21 of the Agreement, Chapman shall obtain all licenses, permits and certificates, and insurance required for operation and production of local access channel for content produced by Chapman.

1.4 Chapman shall provide City with an annual accounting of all funds received by Chapman for video production and programming of Channel 6 as provided for in Section 2.

1.5 Chapman shall furnish all equipment and supplies and shall bear all other costs and expenses reasonably necessary to carry out the purpose of this Agreement from the grant funds provided in Section 2.

1.6 Chapman shall pay for all costs incurred for production of the local origination programming as outlined in this Exhibit A and may at its discretion contract this service out with the City's approval.

1.7 Chapman, on an as needed basis, shall assist the City in the review and recommendation of needed audio visual equipment necessary for the production and live broadcasting of the City related programming from the City's studio (Council Chambers). The cost of this equipment will be paid for by the City using designated funding from the PEG Fees.

1.8 Chapman shall have video production qualified faculty, staff, alumni or other qualified designees oversee the production of all local origination programming that is produced, directed, edited by students to ensure compliance of all of the provisions of this agreement.

1.9 Chapman shall designate a qualified individual to serve as the Local Production Manager for any and all inquiries with the operations of Channel 6.

1.10 Chapman shall use its best efforts to ensure that students assigned to productions for Channel 3 will be committed for two consecutive semesters. Students used to cover events listed in "Exhibit A" maybe assigned on an ad hoc basis.

1.11 Chapman shall follow Digital Infrastructure Competition Act guidelines for local origination, programming channels when allowing for recognition of program sponsors.

1.12 Chapman may develop a channel "image" for use to identify Channel 6 to the community; provided the City reviews the channel "image"

1.13 Annual Local and Community Programming that will be produced by Chapman per this agreement:

- State of the City
- Rotary Plaza Car Show
- One Concert in the Park
- Annual 3<sup>rd</sup> of July event
- International Street Fair
- Treats in the Street
- Veterans Day Event
- Tree lighting Ceremony
- All City Council Meetings
- Bi-monthly City Planning Commission Meetings
- The City may request up to five additional events for filming per year. Chapman will make every effort to fulfill these requests with consideration given to available resources.

## **EXHIBIT "B"**

Chapman University ("Chapman") shall produce and broadcast programs of the highest possible standard of excellence on Local Access Channel 6 and Government Access Channel 3 and for this purpose to observe the following regulations in the preparation, writing and broadcasting of its programs.

**I CONTROVERSIAL ISSUES.** Any discussion of controversial issues of public importance shall be reasonably balanced with the presentation of contrasting viewpoints in the course of overall programming; no attacks on the honesty, integrity, or like personal qualities of any person or group or persons shall be made during the discussion of controversial issues or public importance; and during the course of political campaigns, programs are not to be used as a forum for editorializing about individual candidates. If such events occur, Chapman may require that responsive programming be aired.

**II NO PLUGOLA OR PAYOLA.** The following business activities or "plugs", relating to the payment, acceptance of payment, agreement to pay or agreement to accept payment of money or other consideration is prohibited: (a) taking money, gifts or other compensation from any person for the purpose of playing any record or records on the air; (b) taking money, gifts or other compensation from any person for the purpose of refraining from playing any record or records on the air; (c) taking money, gifts or other compensation from any person for the purpose of promoting any business, charity or other venture without first informing Chapman's Production Manager and meeting all Federal Communications Commission ("FCC") broadcast rules and requirements for such activity, and (d) promoting any business venture which is unconnected with Chapman on the air without first informing the Production Manager and meeting all FCC rules and requirements for such activity.

**III PROGRAMMING PROHIBITIONS.** Chapman shall not broadcast any of the following programs or announcements:

A. False Claims: False or unwarranted claims for any product or service.

B. Unfair Limitation: Infringements of another party's rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.

C. Commercial Programming: Any programs or announcements which solicit, directly or indirectly, money or other consideration in exchange for goods or services of any kind; any programs which solicit, directly or indirectly, money or other assets, tangible or intangible, without consideration or promise of future consideration, by any person or persons, association, organization or other group of any kind; or any program which endorses, directly or indirectly, any product or service which is

offered in exchange for consideration, or any promise of future consideration, of any kind, the proceeds of which inure to the benefit of any commercial enterprise.

D. Political Programming: Any program or announcement that would violate any federal, state or local law imposing any restriction on a nonprofit organization or government agency's participation or intervention, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

E. Commercial Disparagement: Any disparagement of competitors or competitive goods.

F. Indecency: Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or in treatment. No programming that would be considered harmful matter to minors as that term is defined in Penal Code Section 313 shall be aired between the hours of 6 a.m. and 10 p.m.

G. Fraud: Any program or announcement which is intended to defraud the view or designed to obtain money by false or fraudulent premises, representation or promises.

H. Price Disclosures: Any price mentions except as permitted by Chapman's policies current at the time.

I. Unauthenticated Testimonials: Any testimonials which cannot be authenticated.

J. Descriptions of Bodily Functions: Any programming which describes, in a patently offensive manner, internal bodily functions or symptomatic results of internal disturbances, reference or to matters which are not considered acceptable topics in social groups.

IV. RELIGIOUS PROGRAMMING RESTRICTIONS. Any programming broadcast by Chapman is subject to the following restrictions:

A. Respectful of Faiths: The subject of religion and references to particular faiths, tenets, and customers shall be treated with respect at all times.

B. No Denominational Attacks: Programs shall not be used as a medium for attack on any faith, denomination, sect or upon any individual or organization.

V. NO ILLEGAL ANNOUNCEMENTS. No announcements or promotion prohibited by federal or state law, or regulation of any lottery or game, shall be made over the Station. Any game, contest, or promotion relating to or to be presented over Channels 3 or 6 must be fully stated and explained in advance to Chapman, which reserves the right in its sole discretion to reject any game, contest, promotion.

## VI MISCELLANEOUS.

- A. Waiver: Chapman may waive any of the foregoing regulations in specific instances if, in its opinion, good broadcasting in the public interest is served.
- B. Prior Consent: In any case where questions of policy or interpretation arise, station employees or volunteers should submit the same to Chapman for decision before making any commitments in connection therewith.

## EXHIBIT C

### Schedule of Equipment Grant Payments

|                                | Production | Capital<br>Acquisition |
|--------------------------------|------------|------------------------|
| July 31,                       | \$25,000   | \$20,000               |
| October 31,                    | \$25,000   | \$20,000               |
| January 31,                    | \$25,000   | \$20,000               |
| April 30,                      | \$25,000   | \$20,000               |
| Over the term of the contract. |            |                        |
| Total                          | \$500,000  | \$400,000              |