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**The Peoples Channel 8**  
**Chapel Hill's Public Access Cable Television Station**

AGENDA # 3a(1)

Cal Horton  
Town Manager  
Town of Chapel Hill  
Chapel Hill, NC

September 13, 2002

Dear Mr. Horton:

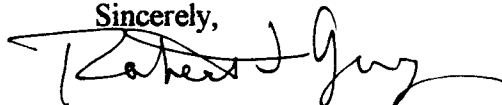
As you are aware, Vilcom has purchased WCHL radio and is planning to move the station's facilities back to Chapel Hill. Jim Heavner has initiated plans to program the station to reflect the Chapel Hill and Carrboro communities in all their dimensions. He is proposing a unique and exciting program service which broadcast news, discussion, information not presently available in the broadcast media.

The Peoples Channel has been exploring ways in which the two facilities, radio and television, can work together to provide a high quality public service programming to Chapel Hill. This could include simulcasts of some programming, special events and cross promotion of programming and news of interest to the audience.

The Performance Agreement between the Town and The Peoples Channel specifies that Channel 8 does not broadcast advertising, the programming must be totally non-commercial. The Peoples Channel agrees with this provision and has been careful to follow it. With the cross carriage of programming between The Peoples Channel and WCHL, there could be times when WCHL radio commercials could be heard as audio on The Peoples Channel. The Peoples Channel would make every effort to cut the audio commercials, but inevitably, some would be heard on the cable channel. The Peoples Channel would receive no compensation from WCHL from any radio advertising. The commercials would be sold by WCHL and designed for radio and not television. In other words, WCHL could not in any way state to an advertiser that their spots would be heard on The Peoples Channel.

In order for the simultaneous programming on radio and television to work, The Peoples Channel requests the Town to modify the Performance Agreement ban on advertising. The Peoples Channel does not request that the spirit and most of the letter of the provision be eliminated. However a modification which would permit this cooperation to move forward would be essential. Please contact me if you have any questions

Sincerely,



Robert J. Gwyn  
President and Chairman