

7 b

Policy Number: 1-2021

Effective Date: 04/29/2021

Title: ADVERTISING POLICY AND REGULATIONS

I. INTRODUCTION

The purpose of this policy is to establish guidelines for interior and exterior advertising on Harbor Transit Vehicles. Harbor Transit Board of Directors is ultimately responsible for the adoption of this policy and any amendments. Harbor Transit intends that it is operating in a proprietary capacity and its vehicles constitute non-public forms that are subject to the viewpoint-neutral restrictions set forth below.

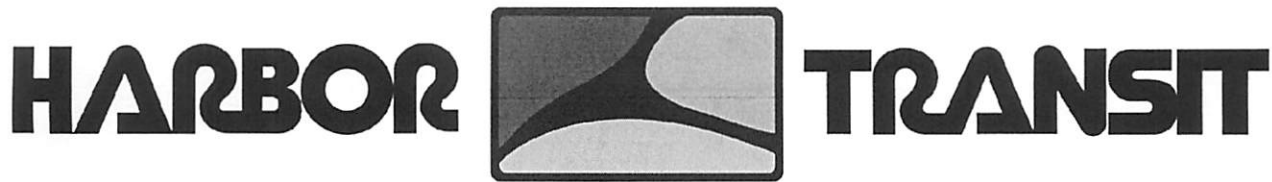
Harbor Transit's Board has approved the concept of commercial advertising on its vehicles as a means of raising revenue for the transit system. Revenue generated from commercial advertising is returned to the general operating budget and used to reduce local contributions to fund operations.

In order to realize the maximum benefit from the sale of advertising space, the program will be managed in a manner that produces as much revenue as practical, while ensuring that advertising does not:

- a. discourage the use of the transit system;
- b. diminish Harbor Transit's reputation in the community;
- c. in any way interfere with operations or jeopardize the safety of passengers, Harbor Transit's direct or contract employees, and the public; or
- d. cause offense to its customers and the general public

The exterior of vehicles is reserved for commercial advertising only. In addition, 75 percent of the interior of buses will be available for commercial advertising, and 25 percent will be designated as free public service advertising space for certain non-profit organizations.

Harbor Transit may also use exterior and interior vehicle advertising itself to promote public awareness of transit programs, services and promotions. This type of advertising may include the display of flyers, brochures, posters and advertisements.



II. APPLICABILITY

This policy is applicable to Harbor Transit board members and its employees, and companies that contract with Harbor Transit for the leasing of advertising space on Harbor Transit vehicles.

III. DEFINITIONS

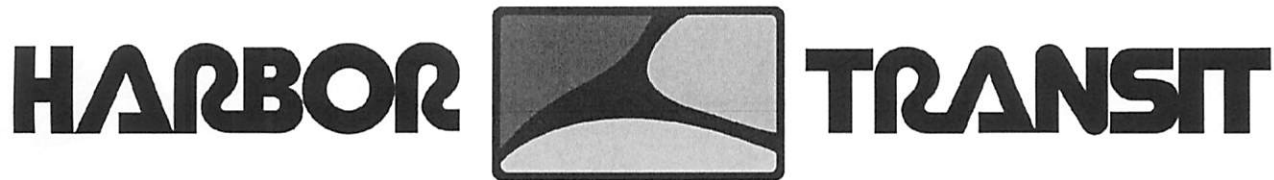
- a. **Commercial Advertising:** Advertising for the sole purpose of selling or renting services or property for a profit.
- b. **Political Advertising:** Any advertising that supports or opposes the election of any candidate or group of candidates, or any ballot question, initiative, petition, or referendum issue, including bond issues, constitutional amendments, or proposed legislation.
- c. **Non-Profit Organizations:** Organizations that meet the requirements for a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code and that: 1) have a physical office in the geographical boundaries served by Harbor Transit; 2) provide social welfare services; and 3) serve the needs of Harbor Transit passengers.
- d. **Public Service Announcements:** Non-commercial and non-political advertising by Non-Profit Organizations promoting their social services.

IV. COMMERCIAL ADVERTISING STANDARDS

Advertising displayed on the exterior of Harbor Transit buses shall be strictly commercial in nature and purpose.

Because Harbor Transit serves persons of all ages and backgrounds and strives to create a comfortable and enjoyable experience for all passengers, the following types of advertising are prohibited:

- a. Materials that contain false, misleading, libelous, slanderous, or deceptive images;
- b. Advertising for tobacco, tobacco-related products, alcoholic products, and illegal drugs, marijuana, marijuana related products;
- c. Advertising for adult products, services or entertainment directed to sexual stimulation;
- d. Advertising of contraceptive products or hygiene products of an intimately personal nature;
- e. Advertising that depicts sexually explicit, obscene and/or pornographic images or words;
- f. Advertising that portrays graphic violence;
- g. Advertising that contains discriminatory, derogatory, negative or personal



- attacks against individuals, groups, or organizations;
- h. Advertising that is political;
 - i. Advertising that is directed to inciting or producing imminent lawless action, or is likely to incite or produce such action, including but not limited to unlawful actions;
 - j. Advertising that promotes illegal activity including, but not limited to, exploitation of children;
 - k. Advertising that encourages persons to refrain from using Harbor Transit or public transit;
 - l. Advertising that explicitly and directly promotes or encourages the use of means of transportation in direct competition with public transit; Advertising that encourages persons to refrain from using Harbor Transit or public transit;
 - m. Advertising messages that conflict with the mission of Harbor Transit; and
 - o. Advertising that contains Harbor Transit's name, brand logo, slogans or other graphic representations of the transit system, unless written consent from Harbor Transit is obtained prior to use.

The prohibitions also apply to advertisements that include a website that provides a message that does not comply with this Section.

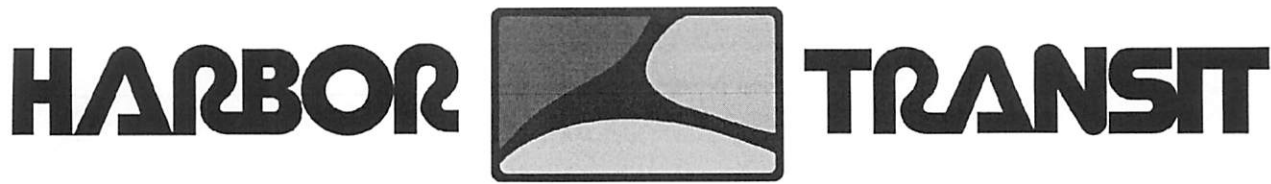
V. PRODUCTION AND PLACEMENT GUIDELINES

Advertising materials will be produced at the advertiser's expense and must be of good quality and conform to standards for size, weight, material and other physical characteristics as set by Harbor Transit and its advertising contractor.

Advertisers must pay for installation and removal of advertising from vehicles. Costs will be determined by Harbor Transit staff or its assigned contractor, which will arrange for the installation or removal of advertising. It is the advertiser's responsibility to deliver or reclaim materials in a timely fashion or they may be disposed of at Harbor Transit's discretion.

VI. COMPLIANCE RESPONSIBILITY

The assigned contractor responsible for selling and managing advertising (as well as Public Service Announcements "PSA") on Harbor Transit vehicles will be notified of standards and restrictions concerning bus advertising and PSAs, and it will be the contractor's responsibility to reject any advertising or PSA that does not comply with these guidelines. The contractor shall approve or reject a proposed advertisement or PSA within 15 days of when the request and all other documents associated with it are received by the contractor. If the contractor fails to formally approve or reject a proposed advertisement or PSA within the time period stated above, the proposed advertisement or PSA will be deemed to be rejected. An



appeal of such rejection can be filed under Section VIII. Failure of the contractor to adhere to these advertising guidelines will constitute a contract violation, possibly resulting in termination of contract.

VII. INTERIOR ADVERTISING FOR NON-PROFIT ORGANIZATIONS

Interior advertising may be allowed and available to Non-Profit Organizations to display PSA materials free of charge at the discretion of Harbor Transit. Guidelines for the acceptance of non-profit advertising are as follows:

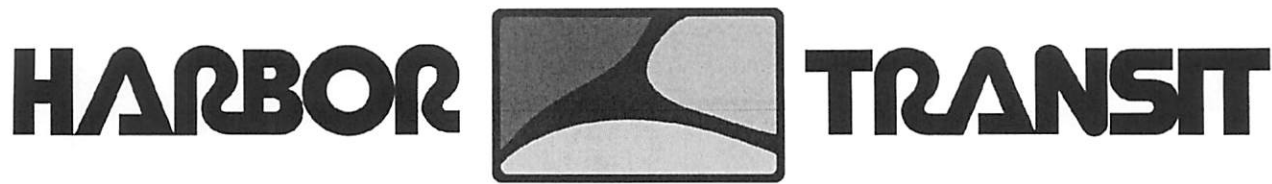
- a. PSA materials will be produced at the non-profit organization's expense, and must be produced through a process that ensures reproduction of good quality on materials of specific quality and size, and conform to uniform standards set by Harbor Transit.
- b. PSAs must be non-commercial, non-partisan, and non-political.
- c. PSAs are also prohibited from advertising in the manner provided in Section IV.a.-o. of this policy.
- d. PSA space may be available on the interior of vehicles only, provided display space is available.
- e. PSAs will be accepted on a first come, first-served basis, and may be displayed for up to 90 days.
- f. The sponsor of the PSA shall pay the applicable labor costs for the installation and removal of their advertising as charged by the advertising contractor.

VIII. APPEAL OF REJECTION OF PROPOSED ADVERTISEMENT OR PUBLIC SERVICE ANNOUNCEMENT

Within 10 days after the assigned contractor has rejected a proposed advertisement or PSA, the aggrieved party may file a written appeal with the Director of Transportation for Harbor Transit. The written appeal must specifically state the word "appeal" and identify the reasons for the reversal of the rejection of the advertisement or the PSA. The appeal will be heard at the meeting of the Marketing Committee immediately following the filing of the appeal, but not later than 30 days following the filing of such appeal. The decision of the Marketing Committee shall be final. The Marketing Committee will be made up of the Transportation Director, Finance and Compliance Director, Human Resources Director and the Marketing Coordinator.

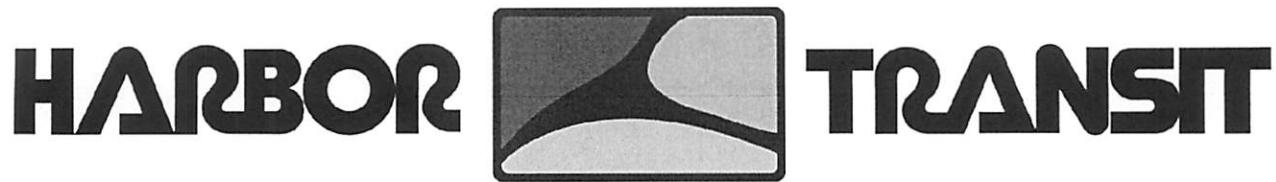
IX. ADDITIONAL TERMS AND CONDITIONS

- a. Advertiser warrants that all approved designs do not infringe upon any trademark or copyright. Advertiser agrees to defend, indemnify and hold Harbor Transit, its officers and employees free and harmless from any and all loss, liability, claims and demands, including attorney's fees arising out of the character, contents or subject



matter of any copy displayed or produced pursuant to the advertising agreement.

- b. All advertisements shall conform to recognized business standards, and shall not conflict with the laws of the United States, the state of Michigan or the policies of Harbor Transit. Graphics, artwork, and copy of advertisements are expected to be of high quality.
- c. If Harbor Transit is prevented from posting or maintaining any of the spaces by causes beyond its control of whatever nature, including but not limited to acts of God, strikes, work stoppages or picketing, or in the event of damage or destruction of any of the spaces, or in the event Harbor Transit is unable to deliver any portion of the service required, including maintenance, the advertising agreement shall not terminate. Credit shall be allowed to advertiser at the standard rates for such space or service for the period that such space or service shall not be furnished or shall be discontinued or suspended. Harbor Transit may discharge this credit, at its option, by furnishing advertising service on substitute spaces, to be reasonably approved by advertiser, or by extending the term of the advertising service on the same space for a period beyond the expiration date.
- d. Harbor Transit reserves the right to terminate the advertising agreement for convenience upon ninety (90) days written notice, by certified mail, to Advertiser should Harbor Transit elect to discontinue advertising on all or part of Harbor Transit's fleet. All advertising displays at the time of the advertising agreement termination will continue to remain in place through the expiration of the terms of the applicable agreement.
- e. Upon default in the payment of the advertising agreement indebtedness or any part thereof, as the same shall become due and payable, the entire amount of the indebtedness contracted shall be matured and shall be due and payable immediately, at the option of Harbor Transit, and unless same is promptly paid, Harbor Transit may, at its option, discontinue without notice the advertising; provided, however, that such discontinuance shall not relieve the advertiser of the contract indebtedness. All payments in arrears shall bear interest at the highest contract rate permitted by law, not to exceed 1-1/2% per month. In addition, advertiser shall pay Harbor Transit all costs and expenses of exercising its rights under the advertising agreement, including reasonable attorney's fees and all reasonable collection agency fees.
- f. The advertising agreement constitutes the entire agreement between Harbor Transit and advertiser. Harbor Transit shall not be bound by any stipulations, conditions, or agreements not set forth in the advertising agreement. Waiver by Harbor Transit of any breach of any provision shall not constitute a waiver of any other breach of that provision or any other provision.



- g. Within ten (10) days of the expiration or termination of the advertising agreement, advertiser is obligated to remove its advertisement and any adhesion from all buses upon which it has been affixed. Advertiser shall be responsible for any costs associated with removing advertising. Further, advertiser shall be responsible for any damages caused by the advertising, adhesion or removal.
- h. In no event will Harbor Transit be liable to advertiser for any special, incidental, or consequential damages, whether based on breach of contract, tort (including negligence), or otherwise, and whether or not Harbor Transit has been advised of the possibility of such damage. If the advertisement and bus is damaged by another party, Harbor Transit will seek reimbursement for the damage to the bus and advertisement, and pay any recovered money for the advertisement damage to the advertiser. If the damage is caused by the Harbor Transit staff, the advertiser will pay for any costs to replace the advertisement.
- i. Advertiser may not assign the advertising agreement, in whole or in part, without Harbor Transit's written consent. Any attempt to assign this advertising agreement without such consent will result in the advertising agreement being null and void.
- j. It is the intention of the Parties to the advertising agreement that the agreement and the performance under the agreement, and all suits and special proceedings under the agreement, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of Michigan and venue for the enforcement of this agreement shall be found exclusively in the courts of Ottawa County, State of Michigan. Each of the parties to the advertising agreement irrevocably submits to the exclusive jurisdiction of such courts in any proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of any proceeding shall be heard and determined only in any such court and agrees not to bring any proceeding arising out of or relating to this agreement in any other court.