



State of New Jersey
OFFICE OF THE STATE TREASURER
PO Box 002
TRENTON NJ 08625-0002

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

2011 JUN 13 A 11:28

ANDREW P. SIDAMON - ERISTOFF
State Treasurer

June 13, 2011

Hon. Stephen M. Sweeney, President of the New Jersey Senate
Hon. Sheila Oliver, Speaker of the New Jersey General Assembly

Dear President Sweeney and Speaker Oliver:

As State Treasurer, pursuant to Section 5(g) of the New Jersey Public Broadcasting System Transfer Act, L. 2010, c. 104 (the "Transfer Act"), I am submitting a negotiated asset purchase agreement (the "Negotiated Sales Contract") to be entered into with the New Jersey Public Broadcasting Authority ("NJPBA") and WHYY, Inc. ("WHYY"). The Negotiated Sales Contract provides for the sale of certain stations of the NJPBA's Radio Broadcast Network. These stations are: WNJN-FM Atlantic City, WNJS-FM Berlin, WNJB-FM Bridgeton, WNJM(FM) Manahawkin and WNJZ(FM). Because the sale of these stations will require approval by the Federal Communications Commission ("FCC"), it is also necessary that the NJPBA and WHYY enter into a short-term management and programming agreement for these stations (the "Negotiated Management Agreement") so that WHYY can begin managing and programming the stations on July 1, 2011 until such time as the FCC approves the sale of the station licenses. The Negotiated Sales Contract and the Negotiated Management Agreement shall be collectively referred to herein as the "Negotiated Contracts". Kindly cause the date of the submission of these Negotiated Contracts to be recorded upon the Senate Journal and the Minutes of the General Assembly, respectively.

WHYY's board has approved the entering into by WHYY of these Negotiated Contracts and an authorized officer of WHYY has executed the Negotiated Contracts. In accordance with Section 5(g)(2) of the Transfer Act, unless a concurrent resolution is adopted by the State Senate and the General Assembly disapproving the Negotiated Contracts, within fifteen (15) days of this submission, the Negotiated Contracts shall be deemed approved by the State Legislature. Once the Negotiated Contracts have been deemed approved and the NJPBA has given its approval, the Negotiated Contracts will be executed by the State Treasurer, as Chairman of the NJPBA. The effective date of the Negotiated Contracts is July 1, 2011.

WHYY was selected pursuant to a competitive procurement process. The State Treasurer issued a Request for Proposals for Sale of the New Jersey Network (NJN) Radio Broadcast Network on February 7, 2011. Proposals were received from three

bidders by the submission deadline of March 11, 2011. The proposals were reviewed by the State Treasurer's financial advisor, Public Radio Capital, Boulder, Colorado and by special counsel on Federal Communications Commission ("FCC") matters, Dow Lohnes PLLC, Washington, D.C. The proposals were then evaluated by the State Advisory Committee consisting of Gregg Edwards, Director of Policy, Office of the Governor, Steven Petrecca, Assistant State Treasurer and Michael Jonas, Operations Manager, Department of the Treasury. On March 28, 2011, the State Advisory Committee recommended that two bidders, WHYY and New York Public Radio, be invited to interviews to discuss their proposals and to subsequently submit best and final offers. These interviews took place and each entity submitted their best and final offers by the April 15, 2011 deadline. The best and final offers were evaluated by Public Radio Capital and Dow Lohnes. The best and final offers were then evaluated by the State Advisory Committee, which recommended to the State Treasurer that the offer of WHYY with respect to the stations listed above be selected. Negotiations with WHYY on the Negotiated Contracts commenced and were concluded on June 3, 2011.

The FCC regulates broadcasting stations and NJPBA, as license holder for the radio broadcasting licenses, remains ultimately responsible to the FCC for the radio stations and their programming and operation, during the term of the Negotiated Management Agreement. During the term of the Negotiated Management Agreement, the NJPBA, as FCC license holder, will still have control of the radio stations under FCC rules. As such, NJPBA will remain as an operating State authority, with the necessary amount of employees to satisfy FCC requirements provided by the Department of the Treasury ("Treasury") to the NJPBA pursuant to a memorandum of understanding to be entered into between Treasury and NJPBA. Once the sale of the radio station licenses from NJPBA to WHYY is approved by the FCC and the radio sales consummated, the radio licenses for the stations listed above will be conveyed to WHYY and the Negotiated Management Agreement will terminate. After these radio stations are sold, NJPBA will no longer have any FCC obligations in connection with these stations.

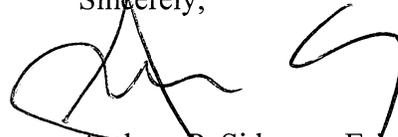
Funding for NJPBA going forward will be incorporated into the State budget. It is estimated that for Fiscal Year 2012, that amount will be approximately \$2 million. Additionally, the proceeds received from the sale of the NJPBA's radio broadcasting licenses and stations will be deposited pursuant to the Transfer Act in the Trust Fund for the Support of Public Broadcasting ("Trust Fund"). The Transfer Act requires that monies in the Trust Fund be dedicated for the support of a public broadcasting system serving the State. In furtherance of that purpose, monies in the Trust Fund will be used for capital improvements and repairs in order to maintain and preserve the State's remaining broadcasting assets, including its tower assets. Such assets are not being alienated from the State.

Enclosed is a copy of the Negotiated Sales Contract and the Negotiated Management Agreement. Also included is a summary of the material terms of the Negotiated Contracts and a summary of the procurement process which was used to arrive at the winning bidder for the Negotiated Contracts. By separate cover, we will also

deliver copies of all documents relevant to this proposed transaction for your consideration.

Finally, these Negotiated Contracts with WHYY fulfill the goals outlined by Governor Christie last year of transitioning NJN to independence and sustainability, ending both the taxpayer subsidy of and the State's role in public radio broadcasting, while preserving a New Jersey-centric coverage and programming mission. The Negotiated Contracts with WHYY will result in a stronger overall programming schedule that draws upon the full range of WHYY offerings and its existing partnership with WBGO in Newark. With these Negotiated Contracts with WHYY, New Jerseyans can be confident that public broadcasting in New Jersey will not only continue, but also has a bright and dynamic future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew P. Sidamon-Eristoff', written over a horizontal line.

Andrew P. Sidamon-Eristoff
Treasurer, State of New Jersey

Attachments: Negotiated Sales Contract
Negotiated Management Agreement
Summary of Material Terms

SUMMARY OF RADIO STATION SALE TO WHYY, INC.	
A. Overview	<ul style="list-style-type: none"> New Jersey Public Broadcasting Authority (“NJPBA”) proposes to enter into the agreements described below to sell the specified NJPBA-owned radio stations to WHYY, Inc., a Pennsylvania nonprofit corporation (“WHYY”), and to arrange the short-term management of those radio stations by WHYY pending approval by the Federal Communications Commission (“FCC”) of the assignment of the underlying FCC licenses to WHYY.
B. The Stations	<ul style="list-style-type: none"> WNJN-FM, Atlantic City, New Jersey, WNJS-FM, Berlin, New Jersey, WNJB-FM, Bridgeton, New Jersey, WNJM(FM), Manahawkin, New Jersey, WNJZ(FM), Cape May Court House, New Jersey (together, collectively, the “Stations”).
C. Asset Purchase Agreement	<ul style="list-style-type: none"> Pursuant to the Asset Purchase Agreement (the “APA”), NJPBA will sell to WHYY the FCC licenses for each of the Stations, along with certain of NJPBA’s assets used or useful in the operation of the Stations. WHYY will pay \$926,000 in cash—the full appraised value—to acquire the FCC licenses and certain assets associated with WNJM(FM), WNJN-FM and WNJZ(FM), and WHYY will provide in-kind consideration, valued at \$612,000, for the FCC licenses and certain assets associated with WNJB-FM and WNJS-FM. The in-kind consideration includes underwriting spots on WHYY-TV over a three-year period, training for Camden teachers and after-school classes in digital video production for students, a WHYY-funded media campaign in New Jersey, management time devoted to the operation of WNJB-FM and WNJS-FM, and WHYY internships for New Jersey college students. The APA contains representations, warranties and covenants that are typical of noncommercial broadcast radio transactions of this type. Closing is conditioned upon FCC approval of the assignment of the Stations’ licenses to WHYY, as well as NJPBA obtaining third-party consents necessary to assign or sublease certain tower site property leases to WHYY and, with respect to WNJM(FM), NJPBA obtaining approval to assign to WHYY certain agreements relating the operation of WNJM(FM) or, alternatively, NJPBA securing replacement facilities.
D. Management and Programming Agreement	<ul style="list-style-type: none"> Pending FCC approval of the APA, WHYY will assume the management and programming of the Stations on July 1, 2011 pursuant to a Management and Programming Agreement (the “MPA”) between NJPBA and WHYY. During the term of the MPA, which would terminate following the consummation or termination of the APA, WHYY’s operation and management of the Stations would be subject to NJPBA’s ultimate control as the FCC licensee of the Stations. In exchange for the right to provide programming to the Stations, WHYY would reimburse NJPBA for the expenses incurred by NJPBA in connection with the operation of the Stations.
E. Tower License and Access Agreement	<ul style="list-style-type: none"> At the closing of the APA, NJPBA and WHYY will enter into Tower License and Access Agreements (each, a “TLAA”) to provide WHYY with subleases/sublicenses to certain facilities necessary to permit WHYY to operate certain of the Stations as they are presently operated by NJPBA.
F. Sharing Agreement	<ul style="list-style-type: none"> Certain of the equipment used in connection with the operation of the Stations is being retained by NJPBA (1) for use in the operation of the NJPBA television stations or (2) because such equipment is shared with third parties and, thus, is not freely assignable by NJPBA (such equipment described in (1) and (2), the “Shared Equipment”). Following the closing of the APA and in connection with certain of the TLAAs, WHYY will need to use certain of the Shared Equipment in connection with the operation of certain of the Stations. To that end, NJPBA and WHYY will enter into a Sharing Agreement to permit WHYY to use the Shared Equipment. The parties will share (pro rata) the costs of operating and maintaining the Shared Equipment.

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement is made this ___ day of June 2011, by and between the New Jersey Public Broadcasting Authority, an independent instrumentality of the State of New Jersey allocated in, but not of, the Department of the Treasury of the State of New Jersey (the "**Seller**"), and WHYI, Inc., a Pennsylvania nonprofit corporation (the "**Buyer**").

RECITALS

A. Seller holds certain licenses, permits and authorizations issued by the Federal Communications Commission ("**FCC**") for the operation of the noncommercial radio stations identified in **Schedule 1.1(a)** hereto (each, a "**Station**" and, collectively, the "**Stations**");

B. In accordance with the New Jersey Public Broadcasting System Transfer Act (L. 2010, c. 104) (the "**Transfer Act**"), Seller has been authorized to sell the Stations' licenses and certain related assets; and

C. Seller desires to sell the Stations' licenses and certain related assets to Buyer, and Buyer desires to purchase the Stations' licenses and such related assets from Seller.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, Buyer and Seller, intending to be legally bound, hereby agree as follows:

1. Assets to be Sold

1.1 Assets to be Sold at Closing. Subject to the prior approval of the FCC and to the terms and conditions of this Agreement, on the Closing Date (as defined below) Seller shall sell to Buyer and Buyer shall purchase the following assets (collectively, the "**Assets**") free and clear of all liens, mortgages and encumbrances of any nature whatsoever:

(a) **Authorizations.** All licenses, permits and authorizations issued or granted by the FCC and held by Seller for the operation of the Stations, as listed in **Schedule 1.1(a)** hereto (the "**FCC Authorizations**"), and, to the extent they are assignable, all other licenses, permits and authorizations or similar rights issued by any federal, state or local governmental authority and held by Seller for the operation of the Stations;

(b) **Tangible Assets.** Those fixed assets and personal property used or intended for use in the operation of the Stations that are listed in **Schedule 1.1(b)** hereto;

(c) **Intangible Assets.** Those intangible assets owned by Seller and used or intended for use in the operation of the Stations that are listed on **Schedule 1.1(c)** hereto;

(d) **Leased Real Property.** The interests of Seller in those lease agreements set forth in **Schedule 1.1(d)** hereto for the real property leased by Seller in connection with the operation of the Stations (the “**Real Property Leases,**” with the real estate leased pursuant to the Real Property Leases referred to herein as the “**Real Property**”); and

(e) **Records.** Those records of Seller that are required by the FCC to be kept by the Stations and copies of those business records, technical records and engineering data which directly relate to or directly affect the Assets and which belong to Seller and are within its possession and control, including membership lists, donor lists, prospect lists, information on fundraisers and appeals (such list and information on fundraisers and appeals, the “**Donor Information**”).

1.2 Excluded Assets. Without limiting the foregoing, the Assets shall not include the following excluded assets, along with all right, title and interests therein (the “**Excluded Assets**”):

(a) All cash, cash equivalents or other similar type investments of Seller, including, without limitation, certificates of deposit, money market accounts, commercial paper, Treasury bills and other marketable securities on hand and/or in banks as of the Closing Date;

(b) Seller’s accounts receivable for services performed by it in connection with the operation of the Stations attributable to the period prior to the Closing (as defined below);

(c) All claims, right and interest of Seller to any refunds of fees of any nature whatsoever or deposits of any kind that relate to the period prior to the Closing;

(d) All contracts of Seller not assumed by Buyer;

(e) Any and all contracts of insurance, including the cash surrender value thereof, or insurance proceeds and insurance claims made by Seller prior to the Closing Date;

(f) All pension, profit sharing or cash or deferred (Sections 401(k) and/or 457) plans and trusts and assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller; and

(g) All Seller’s assets and other property not specifically included in **Sections 1.1(a)-(e)** above and the schedules to this Agreement.

2. Consideration.

2.1 Purchase Price. In consideration of Seller's entering into this Agreement, on the Closing Date Buyer shall pay to Seller, for the Assets allocable to Stations WNJM(FM), Manahawkin, New Jersey, WNJN-FM, Atlantic City, New Jersey, and WNJZ(FM), Cape May Court House, New Jersey, the cash purchase price (the "**Purchase Price**") of Nine Hundred Twenty-Six Thousand Dollars (\$926,000), as adjusted pursuant to **Section 2.4** below and reduced by the amount of the Deposit (as defined below), by wire transfer of immediately available funds to an account designated in writing by Seller.

2.2 MPA. As further consideration for Seller's entering into this Agreement, concurrently with the execution of this Agreement Buyer shall enter into and perform pursuant to a short term Management and Programming Agreement with Seller (the "**MPA**") in the form set forth in **Schedule 2.2** hereto.

2.3 Non-Cash Consideration. As additional consideration for the Assets allocable to Stations WNJB-FM, Bridgeton, New Jersey, and WNJS-FM, Berlin, New Jersey, Buyer shall provide Seller with certain non-cash consideration, as set forth on **Schedule 2.1(b)**, with a total value of Six Hundred Twelve Thousand Dollars (\$612,000).

2.4 Prorations and Adjustments.

(a) Subject to the terms of the MPA, all income and normal operating expenses arising from conduct of the business and operations of the Stations, including, without limitation, assumed liabilities and prepaid expenses, power and utilities charges, and rents and similar prepaid and deferred items, shall be prorated between Seller and Buyer in accordance with United States Generally Accepted Accounting Principles to reflect the principle that Seller shall be entitled to all income and be responsible for all expenses arising from, or attributable to, the conduct of the business and operations of the Stations through 12:01 a.m. New Jersey time on the Closing Date (the "**Adjustment Time**") and Buyer shall be entitled to all income and be responsible for all expenses arising from, or attributable to, the conduct of the business and operations of the Stations after the Adjustment Time. The prorations and adjustments to be made pursuant to this **Section 2.4** are referred to as the "**Closing Date Adjustments**." Three (3) days prior to the Closing Date, Seller shall estimate all Closing Date Adjustments pursuant to this **Section 2.4** and shall deliver a statement of its estimates to Buyer (which statement shall set forth in reasonable detail the basis for those estimates). At the Closing, the net amount due to Buyer or Seller as a result of the estimated Closing Date Adjustments (excluding any item that is in good faith dispute) shall be applied as an adjustment to the Purchase Price as appropriate.

(b) Within thirty (30) days after the Closing, Seller shall deliver to Buyer a statement of any adjustments to Seller's estimate of the Closing Date Adjustments, and no later than the close of business on the tenth (10th) day after the delivery to Buyer of Seller's statement (the "**Payment Date**"), Buyer shall pay to Seller, or Seller shall pay to Buyer, as the case may be, any amount due as a result of the adjustment (or, if there is any good faith dispute, the undisputed amount). Except with

respect to items that Buyer notifies Seller that it objects to prior to the close of business on the Payment Date, the adjustments set forth in Seller's statement shall be final and binding on the parties effective at the close of business on the Payment Date.

(c) If the Buyer disputes any of Seller's determinations in the statement delivered pursuant to **Section 2.4(b)**, the parties shall confer with regard to the matter and an appropriate adjustment and payment shall be made as agreed upon by the parties within ten (10) Business Days after such agreement. For purposes of this Agreement, the term "**Business Day**" means any day of the year on which banks are not required or authorized to be closed in the State of New Jersey.

2.5 Deposit. Within two (2) Business Days following execution of this Agreement, Buyer shall pay to Seller, by delivery to Seller of a cashier's check, a good faith deposit in the amount of Forty-Six Thousand Three Hundred Dollars (\$46,300) (the "**Deposit**"). At the Closing, the Deposit shall be applied to the Purchase Price. In the event that this Agreement is terminated in accordance with its terms, the Deposit shall be distributed as provided in Section 10 of this Agreement.

3. Liabilities Assumed and Excluded.

3.1 Assumed Liabilities. In addition to those obligations and liabilities assumed under, arising out of, or caused by Buyer's actions in connection with the MPA, or the failure of Buyer to perform or discharge any obligations required by the MPA, upon the terms and subject to the conditions of this Agreement, commencing on the Closing Date, Buyer shall pay, perform and discharge in accordance with their terms, the following obligations and liabilities of the Seller (the "**Assumed Liabilities**"):

(a) All liabilities and obligations related to the business and operations of the Stations or the ownership of the Assets attributable to the period after the Closing;

(b) All liabilities and obligations in respect of which an adjustment is made to the Purchase Price in favor of Buyer pursuant to **Section 2.4**; and

(c) All liabilities and obligations under the Assumed Contracts to the extent arising, or attributable to the period, after the Closing.

3.2 Excluded Liabilities. Subject to the terms of the MPA, except for the Assumed Liabilities, Buyer does not assume nor shall Buyer be obligated for any other liabilities or responsibilities whatsoever of Seller arising from or related to Seller's operation of the Stations through the Closing Date (the "**Excluded Liabilities**").

4. FCC Approval.

4.1 FCC Approval Required. The parties acknowledge that consummation of the sale and purchase provided for herein (the "**Closing**") and the performance of the obligations of Seller and Buyer under this Agreement are subject to

FCC consent to the assignment of the FCC Authorizations from Seller to Buyer (the “**FCC Approval**”).

4.2 Filing of FCC Application. The parties agree to proceed as expeditiously as practical to prepare an assignment application for submission to the FCC (the “FCC Application”) and to file the FCC Application with the FCC not later than ten (10) Business Days after the date of this Agreement. The parties shall prosecute the FCC Application in good faith and with due diligence, and the parties shall amend the FCC Application, respond to oral or written inquiries, and answer pleadings, in all cases, acting as expeditiously as possible, whenever such actions are required by the FCC or its rules. Each party agrees to comply with any condition imposed on it by the FCC in the FCC Approval, except that no party shall be required to comply with a condition that reasonably would be expected to have a material adverse effect upon it unless the condition was imposed as the result of a circumstance which constitutes a breach by that party of any of its representations, warranties, or covenants in this Agreement or the MPA. The parties shall oppose any efforts for reconsideration or judicial review of the FCC Approval (but nothing in this section shall limit any party’s right to terminate this Agreement in accordance with the terms herein).

5. Sharing Agreement; New Licenses. Seller has disclosed to Buyer and Buyer acknowledges that (i) certain equipment and components of the Stations’ program delivery network are used by Seller in the operation of Seller’s other broadcast radio and television stations (such equipment and components, the “**Shared Infrastructure**”) and (ii) that such Shared Infrastructure is not part of the Assets and, as such, shall not be sold to Buyer at the Closing. Seller and Buyer also acknowledge that Buyer will need to sublease certain transmission facility space from Seller following the Closing to operate certain of the Stations as they are operated as of the date hereof. To facilitate Buyer’s operation of the Stations following the Closing, Seller and Buyer shall, at the Closing, enter into (i) a Sharing Agreement (the “**Sharing Agreement**”) in the form set forth in **Schedule 5A** and (ii) one or more transmission facility License Agreements (each, a “License Agreement” and collectively, the “**License Agreements**”) in the form set forth in **Schedule 5B** for the Stations set forth in **Schedule 5C**, it being the agreement of the parties that, under the License Agreements, Buyer shall not be obligated to pay any license fee to Seller during the period beginning on the Closing Date and ending on the second (2nd) anniversary of the Closing Date, after which time Buyer shall pay to Seller a license fee for the licenses granted pursuant to the License Agreements, as set forth in **Schedule 5D**.

6. Representations and Warranties

6.1 Seller’s Representations and Warranties. Seller represents and warrants to Buyer on the date hereof and on the Closing Date as follows:

(a) **Organization and Standing.** Seller is a legally formed and constituted independent instrumentality of the State of New Jersey allocated in, but not of, the Department of the Treasury of the State of New Jersey, and possesses all

power necessary to own and operate the Stations and to carry out the provisions of this Agreement and has the authority to convey the Assets.

(b) **Authorization and Binding Obligation.** Seller has obtained the approvals required by the Transfer Act for authorization of this Agreement and any other approvals required by statute, regulation or as otherwise required by law. The execution, delivery and performance of this Agreement by Seller have been duly authorized by all necessary actions on the part of Seller. This Agreement constitutes a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

(c) **FCC Authorizations.** Seller holds the FCC Authorizations listed in **Schedule 1.1(a)**. The FCC Authorizations listed in **Schedule 1.1(a)** are the only authorizations necessary for Seller to own and operate the Stations in all material respects as operated as of the date of this Agreement. To Seller's knowledge, no action or proceeding is pending, before the FCC or other governmental or judicial body that reasonably could be expected to result in the cancellation, or material and adverse modification, of the FCC Authorizations, except as disclosed in **Schedule 6.1(c)**.

(d) **Operation of the Stations.** Except for any non-compliance which would not materially and adversely affect the Assets and technical facilities or operations of the Stations, Seller is operating the Stations in all material respects in compliance with FCC rules and regulations, and otherwise in compliance with all applicable federal, state and local laws.

(e) **Absence of Conflicting Agreements.** Subject to obtaining the consents specified in **Schedule 6.1(e)** hereto, the FCC Approval and any consents necessary with respect to the use of the Donor Information by Buyer after Closing, the execution, delivery, and performance by Seller of this Agreement and the transactions contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) will not conflict with any statute of the State of New Jersey governing Seller; (ii) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality by which Seller is bound; and (iii) except as set forth in **Schedule 6.1(e)** will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any material agreement, instrument, license, or permit to which Seller is a party or by which Seller may be bound.

(f) **Good Title to Properties.** Seller has, and on the Closing Date will have, good title and ownership, free of all liens or hypothecations, of all Assets being assigned to Buyer. All of the Assets are in operating condition and repair and have been maintained in accordance with reasonable engineering practice, industry standards, and any standards or guidelines imposed by the FCC.

(g) **Real Property.** To Seller's knowledge, as of the date hereof, the Real Property is in material compliance with all applicable environmental laws and regulations and zoning, building and other laws and regulations of all governmental authorities having jurisdiction thereof. As of the date hereof, the buildings and fixtures used in the operation of the Stations are suitable for their intended use as currently used by Seller. To Seller's knowledge, all utilities necessary for Seller's use of the Real Property are installed and in working order and are subject to valid easements to the extent required as of the date hereof. Seller has received no notice that any condemnation proceedings have been instituted or threatened against the Real Property as of the date hereof.

(h) **Claims and Litigation.** There is no judgment outstanding or any claim or litigation or proceeding pending or, to the Seller's knowledge, threatened that affects the title or interest of Seller to or in any of the Assets being assigned to Buyer or the Stations' technical facilities, or which would prevent or adversely affect the ownership, use, or operation of the Stations by Buyer.

(i) **Actions Pursuant to the MPA.** Notwithstanding anything contained in this Agreement to the contrary, Seller shall not be deemed to have breached any of its representations, warranties, covenants or agreements contained herein or to have failed to satisfy any condition precedent to Buyer's obligation to perform under this Agreement if the inaccuracy of any such representation, the breach of any such warranty, covenant or agreement or the inability to satisfy any such condition precedent is principally caused by (i) any actions taken by or under the control of Buyer, or any affiliated entities (or any of their respective officers, directors, employees, agents or representatives) in connection with Buyer's performance of its obligations under the MPA or otherwise, or (ii) the failure of Buyer to perform or discharge any of its obligations as required by the MPA.

(j) **Knowledge Under the MPA.** Buyer acknowledges that it will have the opportunity to conduct due diligence and investigation with respect to this transaction and that Buyer will provide programming to the Stations under the MPA. Buyer further acknowledges that, to the extent Buyer, or any of Buyer's advisors, agents, consultants or representatives, by reason of such access to the Stations, knew or should have known that any representation or warranty made herein by Seller is or might be inaccurate or untrue, this constitutes a release and waiver of any and all actions, claims, suits, or damages, at law or in equity, against Seller by Buyer arising out of breach of such representation or warranty.

6.2 Buyer's Representations and Warranties. Buyer represents and warrants to Seller on the date hereof and on the Closing Date as follows:

(a) **Organization and Standing.** Buyer is a legally formed and constituted nonprofit educational and charitable corporation organized under the laws of the State of Pennsylvania that: (i) has been qualified as a nonprofit corporation under Section 501(c)(3) of the federal Internal Revenue Code of 1986, as amended (the "Code"), and is exempt from taxation pursuant to Section 501(a) of the Code; (ii) is duly

qualified to do business and is in good standing under the laws of the State of New Jersey; and (iii) possesses all corporate power necessary to own and operate the Stations and to carry out the provisions of this Agreement and has or will have the authority and financial capability to acquire the Assets.

(b) **Authorization and Binding Obligation.** Buyer has obtained all necessary corporate approvals required for authorization of the Agreement and any other approvals required by statute, regulation or as otherwise required by law. The execution, delivery, and performance of this Agreement by Buyer have been duly authorized by all necessary actions on the part of Buyer. This Agreement constitutes a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

(c) **Absence of Conflicting Agreements.** Subject to obtaining the FCC Approval, the execution, delivery, and performance by Buyer of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) will not conflict with the Buyer's organizational documents; (ii) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Buyer; and (iii) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Buyer is a party or by which Buyer may be bound.

(d) **Buyer's Qualifications.** Buyer is legally, financially and otherwise qualified to be the licensee of and acquire, own and operate the Stations under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC. Buyer knows of no fact that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as assignee of the FCC Authorizations or as the owner and operator of the Stations.

(e) **New Jersey Standard Terms and Conditions.** Buyer acknowledges its receipt of the State of New Jersey Standard Terms and Conditions (the "**Standard Terms**") set forth in **Schedule 6.2(e)** hereto and Buyer complies with such Standard Terms. In the event of a conflict between any provision of the Standard Terms and any other provision of this Agreement, such other provision of this Agreement shall govern.

7. **Covenants**

7.1 **Seller Operation of the Stations.** Subject to the terms of the MPA, from the date of this Agreement to the Closing Date, Seller covenants that it will:

(a) Continue to operate the Stations in the ordinary course of business;

(b) (i) maintain, preserve and keep the Assets and technical facilities of the Stations in good repair, working order and condition, provided that any capital improvements made by the Buyer during this period will remain the property of the Buyer; (ii) pay all liabilities and obligations pertaining to the Stations, the Assets and technical facilities of the Stations that become due and payable in the ordinary course of business; and (iii) comply with all valid and applicable statutes, rules and regulations, the violation of which would materially and adversely affect the Assets and technical facilities or operations of the Stations; and

(c) Not (i) make any sale, assignment, transfer, or other conveyance of any of the Assets except as permitted hereunder; (ii) subject any of the Assets or any part thereof to any mortgage, pledge, security interest, or lien; or (iii) enter into any agreement, license, lease or other arrangements with respect to the Stations or the Assets, or amend any existing agreements, licenses or leases with respect thereto, except in the ordinary course of business or with the prior written consent of Buyer.

7.2 Access to Information. Subject to the terms of the MPA, Seller covenants that it shall accord reasonable access to the Assets, including the Stations' transmitter sites, upon reasonable advance notice during normal business hours prior to Closing and at times that will not interfere with the operation of the Stations as determined by Seller, to Buyer or its designated representatives to review the Assets and technical facilities of the Stations.

7.3 No Control by Buyer. Notwithstanding any provision of this Agreement to the contrary, pending the Closing, Buyer covenants that it will do nothing to interfere with Seller's actual (*de facto*) and legal (*de jure*) control over the Stations; provided, however, that Buyer and Seller acknowledge that Buyer will be performing certain duties and obligations with respect to the Stations pursuant to the terms of the MPA.

7.4 Buyer's Covenants. From the date of this Agreement until the Closing Date, Buyer shall take no action, or fail to take any action, that would disqualify Buyer from becoming the licensee of the Stations or delay the grant of the FCC Approval. Furthermore, Buyer shall give prompt notice to Seller of any occurrence that comes to Buyer's attention that may constitute a misrepresentation, breach of warranty or nonfulfillment of any covenant or condition on the part of Buyer or Seller contained in this Agreement, and Buyer shall comply with the MPA.

7.5 Seller's Employees. Buyer covenants, from the date hereof and continuing after the Closing, to interview and consider for employment all individuals that apply for publicly advertised employment opportunities with Buyer, provided that such individuals (i) were employed by Seller with respect to the Stations on June 30, 2011, and (ii) possess the qualifications (in Buyer's sole discretion) required for the position(s) for which they have applied, so long as the employment opportunity is posted between July 1, 2011 and the date six (6) months after the Closing Date. Buyer may (but is not obligated to) offer post-Closing or post-MPA (as applicable) employment to any of the Stations' employees. Seller shall remain responsible for any obligations Seller may

have to any employee of Seller ("**Seller Employee**") arising on or prior to the date on which the Seller Employee's employment with Seller ends, including any severance or other obligations arising out of the termination of such employee's employment by Seller ("**Seller Employee Obligations**"). Buyer does not assume any Seller Employee Obligations, all of which are Excluded Liabilities and not Assumed Liabilities. Seller shall be solely responsible for giving any notices required under and for compliance with, as applicable, the WARN Act and any state equivalent, to the extent such notices or other compliance obligations arise out of the termination of the employment of Seller Employees by Seller. The terms of this Agreement are solely for the benefit of (and may be enforced only by) the parties hereto and their respective successors and permitted assigns. Without limiting the foregoing, nothing in this Agreement gives any rights to any Seller Employee, and no Seller Employee may enforce any provision of this Agreement against any of the parties hereto.

7.6 Risk of Loss. Except for damages or losses caused by or resulting from the actions of Buyer under the MPA, or any action taken in connection with the MPA by Buyer or any entities affiliated with Buyer, the risk of loss, damage, or destruction to the Assets to be sold and conveyed hereunder shall be upon the Seller prior to the Closing and upon the Buyer after the Closing.

7.7 Brokers and Expenses. Buyer and Seller each shall bear their respective expenses for any brokers (including, but not limited to, Glenn Serafin acting on behalf of Buyer) or financial advisors engaged in connection with the negotiation and execution of this Agreement and its Closing. Buyer and Seller shall also bear their respective costs and expenses for attorneys, accountants and other advisors retained by or representing them in connection with the negotiation and execution of this Agreement and its Closing. Buyer and Seller shall split the FCC application filing fee(s) due, if any, related to the transactions contemplated by this Agreement. Seller acknowledges that Buyer, at Buyer's sole cost and expense, may make a lien and judgment search on the Assets if Buyer desires to conduct such a search prior to Closing.

7.8 Consents. The parties shall use commercially reasonable efforts to obtain any third party consents necessary for the assignment of any Real Property Leases or subleasing of any real property used by the Stations, which shall not require any payment to any such third party, but no such consents are conditions to Closing except for the Required Consents (as defined below). Receipt of consent to assign to Buyer the Real Property Leases and/or to sublease to Buyer the real property leased by Seller in connection with the operation of the Stations pursuant to the agreements designated with an asterisk on **Schedule 5C** shall be a condition precedent to Buyer's obligation to close under this Agreement (collectively, the "**Required Consents**"). To the extent that any Real Property Lease may not be assigned or subleased without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Real Property Lease; provided, however, with respect to each such Real Property Lease, Seller and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Real Property Lease from and after Closing, and to the extent of the benefits received,

Buyer shall pay and perform Seller's obligations arising under the Real Property Lease from and after Closing in accordance with its terms, and upon receipt of any such third party consent, the applicable Real Property Lease shall be automatically assigned to Buyer without further action by Buyer or Seller.

7.9 WNJM(FM) (Manahawkin, New Jersey) and Antenna Licenses. In the event that Seller is unable to obtain the necessary third party consents to assign to Buyer at the Closing the Real Property Lease and associated WYRS antenna license designated as Items 1 and 2 on **Schedule 1.1(d)** hereto (the "**WNJM Lease and Antenna License**"), Seller and Buyer shall cooperate and use commercially reasonable efforts to obtain, at Seller's expense, such new equipment (including antenna and transmission line), new authorizations (including FCC construction permit and license authorizations), site and transmitter building leases and agreements (collectively, the "**WNJM Replacement Facilities**") as are necessary to allow Buyer, as of the Closing, to operate WNJM(FM) in a manner such that, as reasonably determined by Buyer, the WNJM(FM) signal reaches substantially the same locations as the Station's signal reaches as of the date of this Agreement. In lieu of assignment of the WNJM Lease and Antenna License, Seller may convey the WNJM Replacement Facilities to Buyer at Closing and Seller's obligations hereunder to obtain the consents necessary to assign the WNJM Lease and Antenna License shall be deemed satisfied. In the event that Seller is unable to secure WNJM Replacement Facilities or obtain the third party consents necessary to assign the WNJM Lease and Antenna License prior to the Closing, those of the Assets allocable to and associated solely with the operation of WNJM(FM) (including the FCC Authorizations) shall be excluded from the Assets transferred to Buyer at the Closing and the Purchase Price due to Seller shall be reduced by the appraised value of such excluded assets.

7.10 Closing Conditions. From the date hereof until the Closing, Seller and Buyer each shall use their reasonable best efforts to take such actions as are necessary to expeditiously satisfy the Closing conditions set forth in **Section 8** hereof.

8. Closing.

8.1 Closing Date and Place. The Closing shall take place on a date (the "**Closing Date**") mutually agreed by the parties but no later than ten (10) Business Days after such date on which the FCC Approval has been granted. The Closing will take place by the exchange of documents by email or at such other location and by such method as Buyer and Seller may select by mutual agreement.

8.2 Conditions Precedent to Buyer's Obligation to Close. Buyer shall not be obligated to close under this Agreement unless and until the following conditions have been met or waived by Buyer:

- (a) The FCC Approval shall have been granted;
- (b) Seller shall stand ready to deliver to Buyer the documents described in **Section 8.5** below;

(c) All representations and warranties of Seller contained in this Agreement or in any schedule, certificate or document delivered pursuant to the provisions hereof or in connection with the transactions contemplated herein, shall be true, correct and complete in all material respects at and as of the Closing Date with the same force and effect as if each such representation and warranty were made at and as of such time except for (i) such changes as are contemplated or permitted by this Agreement, (ii) any representation or warranty that is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date, or (iii) changes in any representation or warranty as a result of any act or omission of Buyer or its agents, including under the MPA;

(d) Seller shall have performed and complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to the Closing Date except to the extent that such noncompliance results from any act or omission of Buyer or its agents, including under the MPA;

(e) No injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction shall be in effect that restrains or prohibits Buyer from consummating the transactions contemplated by this Agreement;

(f) Each Required Consent shall have been obtained and Seller shall have satisfied the requirements of Section 7.9; and

(g) The FCC shall have granted Buyer main studio waivers with respect to each of the Stations.

8.3 Conditions Precedent to Seller's Obligation to Close. Seller shall not be obligated to close under this Agreement unless and until the following conditions have been met or waived by Seller:

(a) The FCC Approval shall have been granted and Buyer shall have complied with any conditions imposed on it by the FCC Approval in accordance with this Agreement;

(b) Buyer shall stand ready to deliver to Seller the documents described in Section 8.4 below.

(c) Buyer shall stand ready to perform all of the obligations set forth in Section 2.1 of this Agreement with respect to payment of the Purchase Price;

(d) All representations and warranties of Buyer contained in this Agreement or in any schedule, certificate or document delivered pursuant to the provisions hereof or in connection with the transactions contemplated herein, shall be true, correct and complete in all material respects at and as of the Closing Date with the same force and effect as if each such representation and warranty were made at and as of such time except for (i) in respect of such changes as are contemplated or permitted by

this Agreement, or (ii) any representation or warranty that is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date;

(e) Buyer shall have performed and complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to the Closing Date; and

(f) No injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction shall be in effect that restrains or prohibits Seller from consummating the transactions contemplated by this Agreement.

8.4 Buyer's Deliveries at Closing. At the Closing, Buyer shall deliver to Seller the Purchase Price less the Deposit and any adjustments, countersigned signature pages to the Sharing Agreement and the New Leases and such other instruments as Seller may reasonably require in order to consummate the transactions provided for in this Agreement.

8.5 Seller's Deliveries at Closing. At the Closing, Seller shall:

(a) Deliver to Buyer the FCC Authorizations listed on **Schedule 1.1(a)**, together with such assignments of the same as Buyer may reasonably require.

(b) Deliver to Buyer countersigned signature pages to the Sharing Agreement and the New Leases and such assignments and further instruments of conveyance as Buyer may reasonably require to effectuate the assignment from Seller to Buyer of the Stations and Assets being conveyed and assigned herein.

9. Survival of Representations, Warranties and Covenants; Indemnification.

9.1 Survival. All of the parties' representations and warranties contained in this Agreement shall survive the Closing until the twelve (12) month anniversary of the Closing Date. The covenants of the Parties hereunder to be performed in whole or in part after Closing shall survive until thirty (30) days after the date on which such covenants are performed and discharged in full. For the avoidance of doubt, the covenants of the parties to be performed in whole prior to the Closing shall not survive the Closing.

9.2 Indemnification by Buyer. After the Closing, Buyer agrees to indemnify and hold Seller and its employees, officers, directors, advisers and representatives (collectively, the "**Seller Indemnitees**") harmless from and against all liability, loss, damage, claim, injury, interest and penalty and all costs and expenses (including reasonable counsel fees and costs and expenses of any suit related thereto or relating to investigating, preparing, defending against or prosecuting any such suit) of any kind or character (collectively, "**Losses**") suffered or incurred by the Seller Indemnitees

arising from (a) any breach of any representation or warranty of Buyer contained in this Agreement, (b) any failure to perform or observe any covenant or agreement of Buyer contained in this Agreement, or (c) the Assumed Liabilities or Buyer's ownership of the Assets or operation of the Stations after the Adjustment Time. Notwithstanding the foregoing or anything else herein to the contrary, after Closing, the maximum aggregate liability of Buyer for a breach of a representation or warranty under this Agreement shall be an amount equal to the Purchase Price.

9.3 No Indemnification by Seller The parties acknowledge and agree that Seller shall not provide indemnification and that any claim by Buyer against Seller related to this Agreement or the transactions contemplated hereby shall be governed by the New Jersey Contractual Liability Act. (L. 1974, c. 45, N.J.S.A. 59:13-1 et seq.) and the New Jersey Tort Claims Act (L.1972, c. 45, N.J.S.A. 59:1-1 et seq.) and further agree that there shall be no recovery by Buyer with respect thereto for a breach of a representation or warranty under this Agreement in excess of the Purchase Price.

9.4 Procedures. The indemnified party shall promptly give notice to the indemnifying party of any demand, suit, claim or assertion of liability that is subject to indemnification hereunder, whether between the parties (a "**Direct Claim**") or brought by a third party (in either case, a "**Claim**"), specifying (i) to the indemnified party's knowledge, the factual basis for such claim and (ii) a good faith estimate of the amount of the claim, if such amount is capable of estimation. If the claim relates to an action, suit or proceeding filed by a third party (a "**Third Party Claim**"), such notice shall be given reasonably promptly after written notice of such Third Party Claim is received; provided, however, that the failure of the indemnified party to give timely notice hereunder shall not relieve the indemnifying party of its obligations under this **Section 9**, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Third Party Claim is thereby prejudiced and provided that such notice is given within the time period described in **Section 9.1**.

9.5 Materiality and Limitations. The parties acknowledge and agree that (1) for purposes of determining whether Buyer shall be obligated to indemnify Seller under this **Section 9** and calculating the amount of Losses, each of the representations, warranties and covenants contained herein shall be read and construed without regard to any materiality or other qualifications that may be contained therein and (2) neither party shall have any liability to the other under any circumstances for special, indirect, consequential, punitive or exemplary damages or lost profits or similar damages of any kind, whether or not foreseeable, unless such damages constitute actual damages paid to a third party.

10. Termination

10.1 Termination by Seller. This Section shall supersede section 4.2 of the "Standard Terms." This Agreement may be terminated by Seller and the purchase and sale of the Assets abandoned, if Seller is not then in material default, upon written notice to Buyer, upon the occurrence of any of the following:

(a) **Conditions.** If Buyer breaches or fails to perform in any material respect any of its representations, warranties, covenants or agreements contained in this Agreement and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 8.3 if such breach or failure to perform exists at the time scheduled for Closing, or (B) has not been cured within thirty (30) days following Buyer's receipt of written notice thereof and has not been waived in writing by Seller.

(b) **Judgments.** If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Seller, that would prevent or make unlawful the Closing.

10.2 Termination by Buyer. This Agreement may be terminated by Buyer and the purchase and sale of the Stations abandoned, if Buyer is not then in material default, upon written notice to Seller, upon the occurrence of any of the following:

(a) **Conditions.** If Seller breaches or fails to perform in any material respect any of its representations, warranties, covenants or agreements contained in this Agreement and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 8.2 if such breach or failure to perform exists at the time scheduled for Closing, and (B) has not been cured within thirty (30) days following the Seller's receipt of written notice thereof and has not been waived in writing by Buyer.

(b) **Judgments.** If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Buyer, that would prevent or make unlawful the Closing.

10.3 Termination by Agreement or by Either Party. This Section shall supersede section 4.2 of the "Standard Terms." This Agreement may be terminated at any time by the mutual agreement of the parties in writing or by either party, if the terminating party is not then in material default, upon written notice, if the Closing shall not have occurred within twelve (12) months after public notice of the FCC's acceptance for filing of the application to assign the FCC Authorizations to Buyer.

10.4 Effect of Termination. This Section shall supersede section 4.2 of the "Standard Terms." If this Agreement is terminated pursuant to Section 10.1(b), Section 10.2(b) or Section 10.3, and neither party is in material breach of any provision of this Agreement, Seller shall, within five (5) business days of the termination of this Agreement, pay to Buyer the Deposit and the parties hereto shall have no further liability to each other with respect to the purchase and sale of the Assets. If this Agreement is terminated pursuant to Section 10.2(a), Seller shall, within five (5) business days of the termination of this Agreement, pay to Buyer an amount equal to (i) the Deposit multiplied by (ii) 2.0, and such payment shall constitute liquidated damages and the sole remedy of Buyer, and Buyer hereby waives all other legal and equitable remedies it may otherwise have as a result of any breach or default by Seller under this Agreement. If this Agreement is terminated pursuant to Section 10.1(a), Seller shall be entitled to retain the Deposit, and such payment shall constitute liquidated damages and the sole remedy of

Seller, and Seller hereby waives all other legal and equitable remedies it may otherwise have as a result of any breach or default by Buyer under this Agreement.

11. Miscellaneous.

11.1 Notices. All notices, demands, requests, waivers or other communications required or permitted under the provisions of this Agreement shall be (i) in writing; (ii) delivered by personal delivery, facsimile transmission (with automatic machine confirmation) or sent by commercial delivery service or certified U.S. mail, return receipt requested; (iii) deemed to have been given on the date of personal delivery, facsimile transmission (with automatic machine confirmation) or the date of delivery set forth in the records of the commercial delivery service or on the return receipt; and (iv) addressed to the recipient at the address specified below, or with respect to any party, to any other address that such party may from time to time designate in a writing delivered in accordance with this **Section 11.1:**

If to Seller:

New Jersey Public Broadcasting Authority
25 South Stockton Street
P.O. Box 777
Trenton, New Jersey 08625-0777
Attn: John Blair
Telephone: (609) 777-5255
Fax: (609) 633-0254

And:

David A. Ridolfino
Director, Division of Administration
N.J. Dept. of the Treasury
50 West State Street, 8th Floor
P.O. Box 211
Trenton, N.J. 08625
phone: 609-633-2825
fax: 609-633-9090

with copies (which shall not constitute notice) to:

Kavin K. Mistry
Deputy Attorney General
Assistant Section Chief - Treasury
Office of the Attorney General
Department of Law and Public Safety
Division of Law
Richard J. Hughes Justice Complex
25 Market Street

P.O. Box 106
Trenton, New Jersey 08625-0106
Telephone: (609) 292-8564
Fax: (609) 777-3515

Dow Lohnes, PLLC
1200 New Hampshire Avenue, Suite 800
Washington, DC 20036
Attn: Margaret L. Miller, Esq.
Telephone: (202) 776-2000
Fax: (202) 776-2222

If to Buyer:

WHYY, Inc.
Independence Mall West
150 North Sixth Street
Philadelphia, PA 19106
Attn: William J. Marrazzo
President & Chief Executive Officer
Telephone: (215) 351-1222
Fax: (215) 925-9373

with a copy (which shall not constitute notice) to:

WHYY, Inc.
Independence Mall West
150 North Sixth Street
Philadelphia, PA 19106
Attn: Kyra McGrath
Executive Vice President and Chief Operating Officer
Telephone: (215) 351-3302
Fax: (215) 925-9373

11.2 Further Assurances. On and after the Closing Date, the parties will take all appropriate and reasonable actions and execute all documents, instruments or conveyances of any kind that may be reasonably necessary or advisable to put Buyer in possession and operating control of the Assets and the Stations, or to otherwise carry out any of the provisions hereof.

11.3 Waivers of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any party to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this **Section 11.3**.

11.4 Benefit and Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be voluntarily or involuntarily assigned by Seller or Buyer without the prior written consent of the other party hereto. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11.5 Governing Law. This Agreement and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles and shall be filed in the appropriate Division of the New Jersey Superior Court. Seller does not consent to federal court jurisdiction.

11.6 Entire Agreement. This Agreement, all schedules hereto, and all documents and certificates to be delivered by the parties pursuant hereto, collectively represent the entire understanding and agreement between the parties hereto with respect to the subject matter of this Agreement. All schedules attached to this Agreement shall be deemed part of this Agreement and are incorporated herein, where applicable, as if fully set forth herein. This Agreement supersedes all prior negotiations, letters of intent or other writings between the parties and their respective representatives with respect to the subject matter hereof and cannot be amended, supplemented, or modified except by an agreement in writing that makes specific reference to this Agreement or an agreement delivered pursuant hereto, as the case may be, and which is signed by each party hereto.

11.7 Severability. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument and this Agreement shall be construed in a manner that, as nearly as possible, reflects the original intent of the parties.

11.8 Counsel. The parties acknowledge and agree that this Agreement is the result of extensive negotiations between the parties and their respective counsel, and that this Agreement shall not be construed against any party by virtue of its role or its counsel's role in the drafting hereof.

11.9 Counterparts. This Agreement may be executed in several counterparts, all of which when taken together shall constitute one Agreement.

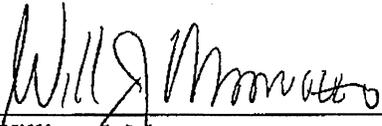
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set for above.

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

By: _____
Andrew Sidamon-Eristoff
State Treasurer, State of New Jersey

WHYY, INC.

By:  _____
William J. Marrazzo
President & Chief Executive Officer

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

Schedule 1.1(a): FCC Authorizations

WNJN-FM, Atlantic City, New Jersey Expires June 1, 2014
Facility Identification Number 48483
License BLED-19960821KC
Renewal BRED-20060201ASK

Aural STL WMU488

WNJS-FM, Berlin, New Jersey Expires June 1, 2014
Facility Identification Number 48486
License BLED-20101029ACL
Renewal BRED-20060201ASU

WNJB-FM, Bridgeton, New Jersey Expires June 1, 2014
Facility Identification Number 48934
License BLED-19970219KF
Renewal BRED-20060201ASE

Aural STL WMV791

WNJM(FM), Manahawkin, New Jersey Expires June 1, 2014
Facility Identification Number 48460
License BLED-19990803KC
Renewal BRED-20060201ASG

Aural STL WPNG790

WNJZ(FM), Cape May Court House, New Jersey Expires June 1, 2014
Facility Identification Number 48464
License BLED-19990803KB
Renewal BRED-20060201ATD

Aural STL WPNH977

Schedule 1.1(b): Tangible Assets

With regard to all sites, all minor components, parts, software and equipment required to make complete systems, whether they are stated or not, are deemed to be included in the Assets, including without limitation all the interconnecting cables, mounting hardware, equipment manuals, adapters, connectors, miscellaneous small components and software that are currently online and in service for the Stations, both in the racks and on the towers.

WNJM-FM, Manahawkin

FM Antenna Sys
[]¹

FM Transmitter Equip

Crown FM250 E FM transmitter
Gentner VRC2000 Remote
Gentner Silence sensor
Belar FMM2 Modulation monitor
Belar FMS2 FM Stereo monitor

Technical Equipment

Middle Atlantic ERK 4025 Equipment rack
Fostex 6301B audio mon/spkr (2)

Microwave Equipment

Moseley PCL6030 STL receiver
Moseley DSP6000D2 dig decoder
Cablewave FLC78-50J transmission line
Scala PR950 STL antenna

WNJN-FM, Mays Landing (Atlantic City)

FM Antenna Sys

Andrew MT 050 line dehydrator
250 ft 1 5/8" Transmission line
Jampro JMVP-3r three bay FM antenna

FM Transmitter Equip

Gentner VRC2000 Remote
Harris PT2CD FM transmitter
Belar FMM2 Modulation monitor

¹ WNJM(FM) antenna omitted intentionally.

Belar FMS2 FM Stereo monitor
Harris power control panel
Gentner silence sensor
Wohler audio monitor panel

Microwave Equipment

Moseley PCL6030 STL receiver
150 ft 7/8" transmission line (2 on tower)
Scala Parareflector STL antenna (2 on tower)
Moseley PCL6010 STL transmitter
Microwave Radio Digi Pro Decoder

WNJZ-FM, Cape May

FM Antenna Sys

Cablewave APD-20 Dehydrator
About 250' Cablewave 1 5/8" Transmission Line
SWR FM3/3DA three bay FM antenna

FM Transmitter Equip

Gentner VRC2000 Remote
Gentner Silence sensor
BE FM-2C FM transmitter w FXi250 Exciter
Belar FMM2 Modulation monitor
Belar FMS2 FM Stereo monitor
Fostex 6301B speaker

Technical Equipment

Middle Atlantic ERK 4025 Equipment rack
Fostex 6301B speaker

Microwave Equipment

Moseley PCL6030 STL receiver
Moseley DSP6000D2 audio decoder
Cablewave FLC78-50J 7/8" transmission line
Scala PR950 STL antenna

WNJB-FM, Bridgeton

FM Antenna Sys

Jampro JMPEP-4R four bay antenna
250' Transmission line 1 5/8" Heliac
Andrew MT050 Dehydrator

FM Transmitter Equip

Gentner Remote Control System

Harris PT2 CD FM 500 watt transmitter
Belar FMM2 Modulation monitor
Belar FMS2 FM Stereo monitor

Technical Equipment

6 ft metal equipment Rack
Wohler Audio Monitor
Power Control Panel

Microwave Equipment

Moseley PCL6030 STL receiver
Moseley DSP6000D2 digital audio decoder

WNJS-FM, Waterford (Berlin site)

FM Antenna Sys

FMEES/1 DA FM Antenna
Custom RF splitter/com (2)
[]²
All transmission line and connectors from the top of the shared line filter to the antenna

FM Transmitter Equip

Gentner VRC2000 Remote
Gentner Silence sensor
Burk AMD UPS400 backup power
Harris Digit FM transmitter with BEXT 300 watt amp
Belar FMM2 Modulation monitor
Belar FMS2 FM Stereo monitor
Vocom Products 100 watt amplifier for STL
Orban 8200/32 digital audio processor
Gentner relay panels (needs battery)

Technical Equipment

Nvision NV1000 frame with Dist Amp

Microwave Equipment

Moseley DSP 6000E digital audio encoder
Moseley PCL6010 STL transmitter
Scala PR-450-U parapanel antenna (3)
650 foot 1 5/8" transmission line (feeds Scala STLs at Waterford)
Three way STL power divider with jumpers

² WNJS-FM 900' 1 5/8" Transmission Line w/ splitters at both ends omitted intentionally.

Spare Parts

Orban 8200/32 digital audio processor
Orban 8200/32 digital audio processor
BE FX30 FM exciter with 10watt amp
Moseley 6020 STL receiver
Moseley 6000D decoder
Gentner remote control sys
Crown FM30 exciter with 1KW amp
(and with two power supplies)

Schedule 1.1(c): Intangible Assets

1. The Stations' call signs
2. Programming information and studies
3. Marketing and demographic data
4. Underwriting studies,
5. Sales correspondence
6. Lists of underwriters
7. Lists of members (in accordance with Corporation for Public Broadcasting policies); and
8. Credit and underwriting reports

In the cases of items 2-8 above, to the extent made available to Buyer prior to Closing.

As to call signs shared with Seller's television stations, the FCC permits use of common call letters by a second station only with the consent of the first user. Accordingly, for purposes of FCC assignment of call letters, Seller hereby consents to retention of the call letters by Buyer for use on the Stations that Buyer is acquiring.

Schedule 1.1(d): Real Property Leases

1. Antenna Site License Agreement, dated as of August 1, 2009, by and between Jersey Shore Broadcasting Corporation and New Jersey Public Broadcasting Authority (for WNJM(FM), Manahawkin, New Jersey)

2. License Agreement, dated as of August 1, 2009, by and between WYRS Broadcasting and New Jersey Public Broadcasting Authority (for WNJM(FM), Manahawkin, New Jersey)¹

¹ The parties acknowledge that this agreement is a license agreement and not a lease for real property. Subject to obtaining the necessary third party consent to assign this agreement, Seller shall assign all of its rights and obligations under this agreement to Buyer at the Closing and Buyer shall assume the same.

Schedule 2.1(b): Non-Cash Consideration

<u>Additional Consideration</u>	<u>Value</u>
1. Underwriting spots on WHYY-TV over a three-year period (consistent with the WHYY-TV PSA Partnership Schedule 2011-2014 provided to Seller by Buyer, such schedule subject to appropriate and mutually agreeable modification by the parties as necessary in the event that the Closing occurs sooner or later than contemplated by the schedule)	\$313,560
2. Teacher training for Camden, New Jersey teachers, and after-school classes in digital video production for Camden, New Jersey students in WHYY's Dorrance H. Hamilton Public Media Commons, each over a three-year period	\$178,409
3. WHYY-paid media campaign in New Jersey to promote WHYY's service in New Jersey over several years	\$80,000
4. WHYY management staff time devoted specifically to the operation of Stations WNJB-FM and WNJS-FM	\$40,251
<hr/>	
Total	\$612,220

In addition to the in-kind consideration specified above, Buyer will provide unpaid internships to two (2) New Jersey college students (the "NJ Interns") during each of the first two full summers immediately following the Closing. The NJ Interns will be selected in accordance with Buyer's internship application procedures and will abide by Buyer's intern guidelines.

Schedule 2.2: Form of Management and Programming Agreement

See attached.

MANAGEMENT AND PROGRAMMING AGREEMENT

THIS MANAGEMENT AND PROGRAMMING AGREEMENT is made this _____ day of June, 2011, by and between New Jersey Public Broadcasting Authority, an independent instrumentality of the State of New Jersey allocated in, but not of, the Department of the Treasury of the State of New Jersey (“Licensee”), and WHYYY, Inc., a Pennsylvania nonprofit corporation (“Manager”).

RECITALS

WHEREAS, Licensee is the Federal Communications Commission (“FCC”) licensee of noncommercial educational radio stations WNJM(FM), Manahawkin, New Jersey, WNJN-FM, Atlantic City, New Jersey, WNJZ(FM), Cape May Courthouse, New Jersey, WNJS-FM, Berlin New Jersey and WNJB-FM, Bridgeton, New Jersey (including each such stations’ ancillary services—broadcast auxiliary remote pickups, studio-to-transmitter links, etc.—each, a “Station” and, collectively, the “Stations”);

WHEREAS, Manager is an experienced noncommercial station broadcaster and the licensee of a noncommercial educational FM radio station, pursuant to authorization of the FCC;

WHEREAS, Licensee and Manager desire that Manager undertake the management, programming and operation of the Stations for, and under the supervision of, Licensee;

WHEREAS, Licensee expects that management by Manager will promote quality public radio programming, including coverage of New Jersey issues consistent with Manager’s current programming (such public radio programming, including coverage of New Jersey issues consistent with Manager’s current programming, referred to herein as “New Jersey-Centric Programming”), over the facilities of the Stations;

WHEREAS, Manager and Licensee are entering into this Agreement under the authority of and subject in all respects to all applicable provisions of the New Jersey Public Broadcasting System Transfer Act (L. 2010, c. 104) (the “Transfer Act”);

WHEREAS, Licensee and Manager have entered into an Asset Purchase Agreement of even date herewith (the “Purchase Agreement”), pursuant to which Licensee has agreed to sell to Manager, and Manager has agreed to purchase from Licensee, the Stations and associated assets as described therein under the terms and conditions set forth in the Purchase Agreement;

WHEREAS, capitalized terms used herein but not defined herein have the meaning ascribed to them in the Purchase Agreement; and

WHEREAS, concurrently herewith, Licensee and Manager are entering into the Sharing Agreement.

NOW, THEREFORE, in consideration of the above recitals and mutual promises and other good consideration, the parties agree as follows:

1. MANAGEMENT

(a) In General. Manager hereby agrees to manage and program the Stations under the supervision and control of Licensee. As FCC licensee, Licensee shall at all times retain ultimate responsibility for the Stations' essential functions, including programming, finances and personnel of the Stations employed by Licensee. Subject to the foregoing limitations, the management services provided herein shall include certain aspects of the operation and management of the Stations, including, but not limited to, the production and acquisition of programming, administration of the Stations' activities, engineering maintenance and support for the Stations' facilities, financial management, accounting services, routine engineering services, and compliance with all applicable laws and regulations.

(b) Programming. Manager will program the Stations for twenty-four (24) hours per day, seven days per week with a public radio station news and information format (the "Programming"). The Programming shall serve the needs and interests of the Stations' community of license and further Licensee's educational objectives. Manager will not change the format of the Programming without the prior consent of Licensee. The Programming will comply with Licensee's program standards, set forth in Attachment 1 (which is in a form that Licensee has adopted for each Station), the Communications Act of 1934, as amended, the FCC's rules and all applicable content-related laws for broadcast programming. Manager will be responsible for obtaining or maintaining any and all intellectual property rights, including copyright licenses, necessary for the broadcast of the Programming over the Stations. Manager shall promptly report to Licensee any listener complaints or FCC inquiries concerning the Programming. Licensee shall have the right to preempt or reject any Programming if Licensee, in its reasonable judgment, concludes that the Programming does not serve the public interest or that alternate programming would better address local needs.

(c) Delivery of Programming. Manager shall deliver the Programming to the Stations at Manager's cost and expense. Manager will be responsible for all costs and expenses incurred in connection with equipment for receiving Programming at the Stations, including appropriate equipment for satellite reception, EAS compliance, and transmitter remote control.

(d) Financial Management. In addition to bearing its own expenses in connection with its duties hereunder, and in a manner consistent with FCC policies, Manager shall pay Licensee, in accordance with the budget set forth in Schedule 1(d), the sum of Seventeen Hundred Eighteen Dollars (\$1,718) per month, each payment due in arrears on the last day of each calendar month during the term of this Agreement, as reimbursement for the Stations' operating expenses reasonably incurred by Licensee in the ordinary course of business consistent with industry custom (taking into account this Agreement and the services provided by Manager to the Stations hereunder), including, but not limited to, utility charges and expenses related to the maintenance and repair of the transmission facilities. Fees for any partial month shall be prorated. Upon the first to occur of (i) Closing under the Purchase Agreement or (ii) the date six (6) months after the date of this Agreement (and, if (ii) occurs first, then again following the Closing under the Purchase Agreement), Manager and Licensee shall true up the difference between

Licensee's actual operating expenses incurred for the Stations and the amounts paid by Manager to Licensee pursuant to this Section, and the appropriate party shall make a prompt payment to the other in the amount of any such difference. In accordance with such true up, Licensee shall promptly provide Manager with reasonable supporting documentation for its expenses incurred. Notwithstanding anything in this Agreement to the contrary, Licensee shall bear full responsibility for the hiring, firing and compensation (without reimbursement by Manager) of the Stations' employees on Licensee's payroll, including staffing and other requirements necessary to satisfy the FCC's main studio rules and capital expenditures as provided by Section 1(b). Licensee shall remain ultimately responsible for the finances of the Stations, as required by FCC rules and policies.

(e) Manager acknowledges that Manager will provide the services as a contractor to an agency and instrumentality of the State of New Jersey. In providing such services, Manager shall comply with all applicable provisions of federal law and New Jersey law and regulations, including without limitation, New Jersey Public Broadcasting Authority Act of 1968 (L. 1968, c. 405), the Transfer Act, and the State of New Jersey, New Jersey Public Broadcasting System, New Jersey Network, Standard Terms and Conditions for Contractors (attached as Schedule 1(e) hereto, the "NJ Terms and Conditions"), as any of the foregoing are amended or supplemented from time to time. In the event of a conflict between any provision of the NJ Terms and Conditions and any other provision of this Agreement, such other provision of this Agreement shall govern.

2. TERM OF AGREEMENT

Unless sooner terminated in accordance with Section 3 of this Agreement, this Agreement shall commence on July 1, 2011 and shall continue in full force and effect until the earlier of: (a) the Closing Date, or (b) ten (10) days following the date of termination of the Purchase Agreement according to its terms.

3. TERMINATION

(a) Licensee may terminate this Agreement by written notice to Manager: (i) if, in the reasonable good faith discretion of Licensee as disclosed in writing to Manager, the Stations are operated by Manager in a manner contrary to the public interest, FCC rules and regulations or the Communications Act of 1934, as amended, and Manager fails to cure such operational matter within ten (10) days of written notice from Licensee, or (ii) if Manager breaches its obligations or its representations under this Agreement in any material respect, and Manager fails to cure such breach within thirty (30) days of written notice from Licensee.

(b) Manager may terminate this Agreement by written notice to Licensee: (i) if, in the reasonable good faith discretion of Manager as disclosed in writing to Licensee, Licensee unreasonably frustrates or impedes the effective management and programming of the Stations by Manager, and Licensee fails to cure such frustration or impediment within ten (10) days of written notice from Manager, or (ii) if Licensee breaches its obligations or its representations under this Agreement in any material respect, and Licensee fails to cure such breach within thirty (30) days of written notice from Manager.

(c) Upon termination of this Agreement (other than at Closing under the Purchase Agreement), Licensee shall assume complete operational responsibility for the Stations, and Manager shall be relieved of all obligations under this Agreement, except for: obligations incurred prior to the effective date of the termination and the obligation to reasonably cooperate with Licensee to wind up Manager's operation of the Stations in an orderly fashion. In the event of any termination of this Agreement (other than at Closing under the Purchase Agreement), either party may, but is not obligated to, terminate the Purchase Agreement upon written notice to the other. If this Agreement is terminated pursuant to Section 3(a)(i) or 3(b)(ii) and the Purchase Agreement is then terminated, Buyer shall be entitled to the Deposit under the Purchase Agreement and Licensee shall promptly return the Deposit to Buyer.

4. GRANTS/FUNDRAISING/MARKETING

(a) Grants. Licensee agrees to cooperate with Manager in applying for grants, awards, contributions, donations, bequests, devises, legacies or other property or monies (hereinafter collectively referred to as "grants") regardless of nomenclature, for the use or benefit of the Stations, including, but not limited to Corporation for Public Broadcasting ("CPB") grants, Public Telecommunications Facilities Program ("PTFP") grants, and any other grants applied for or received in the name of Licensee and intended for the use and benefit of the Stations, provided that (1) Manager drafts for Licensee's review and approval all applications or other documentation required by such grants; (2) Manager agrees to the terms and conditions of, and serves as fiscal agent for, such grants; and (3) Manager covers all administrative costs, such as audits or financial reports, required by such grants.

(b) Fundraising. Manager shall, in continuing consultation with Licensee staff, conduct fundraising activities for the benefit of the Stations, including but not limited to membership drives and efforts to secure program underwriting, in such manner as to seek to raise sufficient funds for Manager to professionally manage and operate the Stations. Manager shall conduct all fundraising so as to comply with the rules and policies of the FCC applicable to noncommercial educational broadcast stations, including (with specificity) Section 73.503(d) of the FCC rules, and with IRS requirements for documenting charitable contributions. Manager shall account to Licensee on a quarterly basis for all fundraising activities conducted for the benefit of, or over the air via, the Stations.

5. LICENSE MAINTENANCE

Licensee, as FCC licensee, has the ultimate responsibility with respect to all activities in connection with FCC license renewals, applications for facility changes and such other filings and reports as may be required by the FCC. Manager agrees to assist and advise Licensee in such activities and to prepare all necessary documents, filings and reports for the timely review and approval by Licensee in consultation with Licensee's own legal counsel.

6. RESPONSIBILITY OF FCC LICENSEE

Licensee and Manager acknowledge and agree that the operation of the Stations in compliance with all laws, rules, policies and regulations of the FCC is the ultimate responsibility of Licensee, as licensee. Nothing in this Agreement shall be construed as limiting, transferring, assigning or relieving Licensee of such responsibility. Licensee and Manager acknowledge that their relationship requires a commitment on both parties' parts to the mission of the Stations.

7. STANDARDS OF OPERATION

Manager agrees that it will comply with all legal requirements and manage and operate the Stations consistent with industry standards for noncommercial educational broadcasting, so that the Stations will provide quality Programming to their listeners. Manager further agrees to manage and operate the Stations, to the extent reasonably possible, in such a manner allowing the production and acquisition of radio programming of community value, and to combine these programs into a nonprofit radio service of high quality for broadcast to New Jersey.

8. INSTITUTIONAL COOPERATION AND MEDIA PROMOTION

(a) Identification of Licensee. Manager will air station identifications that comply with the FCC's rules at the beginning and end of each time of operation and on the hour while each of the Stations is on the air. Manager will identify Licensee as the Stations' licensee during each on-air identification, and, as feasible, in marketing or promotional materials that refer to the Stations.

(b) On-Air Announcements About Licensee. During the term of this Agreement, Manager may, but is not obligated to, air announcements over the Stations that will provide information on Licensee and its programs and opportunities, it being understood that Licensee wishes to share in the goodwill generated from the operation of the Stations. All such announcements shall comply with FCC requirements and Manager's internal underwriting guidelines and the requirements of Schedule 2.1(b) of the Purchase Agreement. Any such announcements provided by Licensee during the term of this Agreement shall be credited toward Manager's obligations after Closing set forth on Schedule 2.1(b) of the Purchase Agreement.

9. REPRESENTATIONS AND WARRANTIES

Manager represents and warrants that it will maintain its corporate organization and existence and operate in accordance with all laws and regulations applicable to nonprofit organizations in its state of organization. Manager represents and warrants that (a) it will manage, operate and program the Stations in full compliance with all applicable laws, rules and policies, including intellectual property law; (b) there are no events or circumstances within the control of Manager or of which Manager has knowledge that preclude or prohibit Manager from performing its obligations under this Agreement; and (c) no consent, approval, order, or authorization of, or registration, qualification, designation, declaration, or filing with, any governmental authority on the part of Manager is required

in connection with the execution, delivery, and performance of this Agreement. The execution, delivery and performance of this Agreement by Manager have been duly authorized by all necessary actions on the part of Manager. This Agreement constitutes a valid and binding obligation of Manager, enforceable against Manager in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

10. INSURANCE

(a) During the term of this Agreement and any extension or renewal thereof, Manager shall maintain insurance in compliance with the NJ Terms and Conditions.

(b) During the Term of this Agreement and any extension or renewal thereof, Licensee shall either self-insure or obtain insurance policies that insure Licensee's employees, agents and representatives. Coverage shall include, but not be limited to, media liability insurance covering liability arising out of any programming provided by Licensee; comprehensive general liability insurance; workers compensation insurance covering Licensee employees and agents who may visit the Stations' premises as needed; and property insurance covering damage to or risk of loss of equipment used in connection with the operation of the Stations.

11. CONSIDERATION

The parties acknowledge that their respective undertakings and commitments herein, designed to ensure the provision of quality New Jersey-Centric Programming to the Stations' listeners, constitute sufficient consideration for this Agreement.

12. RECORDS/ACCOUNTING

Manager shall keep full and adequate financial and accounting records of the Stations' activities and make such records, including, but not limited to, bank records, ledgers, accounts, journals, and audits, available for inspection by representatives of Licensee upon reasonable prior written notice. Within ten (10) Business Days after the end of each quarter or periodically after reasonable request by Licensee in connection with state accounting procedures (including fiscal year-end accounting procedures), Manager shall provide to Licensee a financial report, in a form reasonably acceptable to Licensee, that accounts for all revenues and expenses attributable to the Stations. In the event of any dispute concerning a reimbursable expense claimed by Licensee pursuant to Section 1.1(d), Manager shall escrow the amount claimed by Licensee until the claim is resolved. In the event the parties are unable to resolve the claim between them, they shall submit the matter to a mutually agreeable third party, whose decision shall be binding on both parties. Manager shall cause the operations and records of the Stations to be audited periodically in accordance with Corporation for Public Broadcasting audit requirements. Manager shall also cooperate with Licensee's auditor as part of Licensee's periodic audit, as may be reasonably requested by Licensee and its auditor, including permitting ordinary audit procedures to be followed involving the books and records of Manager. Licensee shall be responsible for ascertaining the programming needs of its community of license and

maintaining each Station's public inspection file in compliance with FCC requirements; provided, however, that Manager shall provide advice and assistance with respect to the ascertainment of programming needs and shall provide Licensee with all relevant documents and information required to be placed in the Stations' public inspection files.

13. RELATIONSHIP

During the term of this Agreement, subject to its terms and conditions, Manager is authorized to hold itself out as the manager and operator of the Stations. Manager shall serve as an independent contractor in rendering the services set forth herein and its employees shall not be employees of Licensee.

14. OVERSIGHT AND CONTROL

Notwithstanding anything in this Agreement to the contrary, Licensee shall retain and exercise oversight of and control over the activities and operations of the Stations. Without limiting the foregoing, Licensee (through its governing board or the board's designated representative(s)) shall have the right: (a) to promulgate basic policies regarding personnel (but only to the extent such personnel are working on matters relating to the Stations), finances and programming; (b) to direct the day-to-day activities of Manager's employees working on Licensee's premises or using Licensee's Station equipment (but only to the extent required by the FCC and only to the extent that such employees are working on premise or with equipment of the Licensee; (c) to inspect the Stations' facilities at any time during operation; (d) to consult with management of the Stations, review FCC-required operating and maintenance records and investigate operational complaints; and (e) to require reasonable written reports, no more often than once a quarter, with respect to a reasonable summary of each Station's programming service and personnel actions (including EEO compliance) during such period. For purposes of clarity, Licensee shall not have oversight or control of Manager's employees generally, but only to the extent that those employees are working on matters relating to the Stations within the scope of this Agreement. The Chief Operating Officer of Manager shall be responsible for reporting to the Licensee governing board or to the Licensee's officer(s) designated by Licensee.

15. NOTICES

All notices, demands, requests, waivers or other communications required or permitted under the provisions of this Agreement shall be (i) in writing; (ii) delivered by personal delivery, facsimile transmission (with automatic machine confirmation) or sent by commercial delivery service or certified U.S. mail, return receipt requested; (iii) deemed to have been given on the date of personal delivery, facsimile transmission (with automatic machine confirmation) or the date of delivery set forth in the records of the commercial delivery service or on the return receipt; and (iv) addressed to the recipient at the address specified below, or with respect to any party, to any other address that such party may from time to time designate in a writing delivered in accordance with this Section 15.

If to Licensee:

New Jersey Public Broadcasting
Authority
25 South Stockton Street
P.O. Box 777
Trenton, New Jersey 08625-0777
Attn: John Blair
Telephone: (609) 777-5255
Fax: (609) 633-0254

And:

David A. Ridolfino
Director, Division of Administration
N.J. Dept. of the Treasury
50 West State Street, 8th Floor
P.O. Box 211
Trenton, N.J. 08625
phone: 609-633-2825
fax: 609-633-9090

With copies (which shall not
constitute notice) to:

Kavin K. Mistry
Deputy Attorney General
Assistant Section Chief - Treasury
Office of the Attorney General
Department of Law and Public Safety
Division of Law
Richard J. Hughes Justice Complex
25 Market Street
P.O. Box 106
Trenton, New Jersey 08625-0106
Telephone: (609) 292-8564
Fax: (609) 777-3515

Dow Lohnes PLLC
1200 New Hampshire Avenue, N.W.
Suite 800
Washington, DC 20036
Attention: Margaret L. Miller, Esq.
Telephone: 202-776-2000
Fax: 202-776-2222

If to Manager:

WHYY, Inc.
Independence Mall West
150 North Sixth Street
Philadelphia, PA 19106
Attn: Mr. William J. Marrasso,
President & Chief Executive Officer

Telephone: 215-351-1222
Fax: (215) 925-9373

With a copy (which shall not constitute notice) to:

WHYY, Inc.
Independence Mall West
150 North Sixth Street
Philadelphia, PA 19106
Attn: Kyra G. McGrath
Executive Vice President and Chief
Operating Officer
Telephone: 215-351-3302
Fax: (215) 925-9373

16. INDEMNIFICATION

(a) No Indemnification by Licensee. Manager recognizes and acknowledges that Licensee is an instrumentality of the State of New Jersey and without legal authority to enter into an indemnity arrangement for the benefit of Manager. The parties acknowledge and agree that any claim by Manager against Licensee related to this Agreement or the transactions contemplated hereby shall be governed by the New Jersey Contractual Liability Act. (L. 1974, c. 45, N.J.S.A. 59:13-1 et seq.) and the New Jersey Tort Claims Act. (L.1972, c. 45, N.J.S.A. 59:1-1 et seq.) and further agree that there shall be no recovery by Manager with respect thereto in excess of the Purchase Price.

(b) Indemnification by Manager. Manager shall indemnify and hold harmless Licensee and all officers, directors, employees, partners, members and agents of Licensee, (individually, a "Licensee Indemnitee") from and against any and all Losses arising from any and all Claims in which a Licensee Indemnitee may be involved or threatened to be involved, as a party or otherwise, arising out of Manager's gross negligence or willful misconduct in connection with the performance of the services under this Agreement, or Manager's breach of this Agreement; provided that neither Manager nor any of its affiliates shall be deemed a Licensee Indemnitee under this Section 16(b). Notwithstanding the foregoing or anything else herein to the contrary, the maximum aggregate liability of Manager under this Agreement shall be an amount equal to the Purchase Price.

(c) Other Rights and Remedies Not Affected. The indemnification rights of the parties under this Section 16 are independent of, and in addition to, such rights and remedies as the parties may have at law or in equity or otherwise for any intentional or knowing misrepresentation, breach of warranty or failure to fulfill any agreement or covenant hereunder on the part of any party hereto, including the right to seek specific performance, rescission or restitution, none of which rights or remedies shall be affected or diminished thereby.

17. SEVERABILITY

If any provision of this Agreement shall be prohibited by or invalid under applicable law, then so long as no party is deprived of the benefits of this Agreement in any material respect, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Agreement, provided that such remaining portions or provisions can be construed in substance to constitute the agreement that the parties intended to enter into in the first instance.

18. ASSIGNMENT; BINDING ON SUCCESSORS

This Agreement may not be assigned by either party without the other party's prior written consent, which may be given or withheld in its sole discretion. Any attempted assignment without such consent shall be cause for immediate termination of the Agreement by the other party. This Agreement shall bind and inure to the benefits of the parties' respective successors and permitted assigns. No assignment shall relieve a party of any obligation under this Agreement.

19. COMPLETE AGREEMENT; AMENDMENT

This Agreement (including the Schedules and Attachment hereto) contains the entire agreement of the parties with respect to the management and programming of the Stations during the term hereof, and, except as specifically referred to herein, all prior obligations, proposals and agreements relating to the subject matter hereof have been merged herein. This Agreement shall not be modified or amended except by agreement in writing duly executed by the parties hereto.

20. GOVERNING LAW

This Agreement and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles and shall be filed in the appropriate Division of the New Jersey Superior Court. Licensee does not consent to federal court jurisdiction.

21. COUNTERPARTS; FACSIMILE SIGNATURES

This Agreement may be signed in counterparts, each of which shall be deemed to be an original but which, when taken together, shall constitute one and the same instrument. Facsimile signature pages of this Agreement shall be valid and binding as original signatures and when the same are delivered by each party to the other party, such delivery shall be considered an agreement of the respective parties to fully execute and deliver to one another originally signed copies of this Agreement.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

LICENSEE – NEW JERSEY PUBLIC BROADCASTING AUTHORITY

By: _____

Title: _____

MANAGER – WHYY, INC.

By: _____

Title: _____

[Signature Page to Management and Programming Agreement]

Budget for Reimbursable Expenses

	NJN Use	Site Owner	FY 2012	Monthly
Bridgeton	WNJB-FM	Cumberland Co. OEM.		
		Tower	0	0
		Building Space	\$0	\$0
		Electric	\$2,000	\$167
Cape May Courthouse	WNJZ-FM	Atlantic Coast Communications Inc.		
		Tower	\$0	\$0
		Building Space	\$0	\$0
		Electric	\$6,700	\$558
Atlantic City	WNJN-FM	NJ Transit -- Newark, NJ		
		Tower	\$0	\$0
		Building Space	\$0	\$0
		Electric	\$2,220	\$185
Manahawkin	WNJM-FM	Jersey Shore Broadcasting Corp.		
		Tower	\$8,600	\$717
		Building Space	\$0	\$0
		Electric	\$1,100	\$92
Berlin	WNJS-FM	NJPBA on land from DEP		
		Tower	\$0	\$0
		Building Space	\$0	\$0
		Electric	\$1,200	\$100
Totals			\$20,620	\$1,718

**State of New Jersey
New Jersey Public Broadcasting System
New Jersey Network
Standard Terms and Conditions**

1. STANDARD TERMS AND CONDITIONS APPLICABLE TO THE CONTRACT:

Unless the bidder is specifically instructed otherwise in the Request for Proposals (RFP), the following terms and conditions shall apply to the Contract between the Contractor and the New Jersey Public Broadcasting System ("NJPBA" or the "State"). These terms are in addition to the terms and conditions set forth in the RFP and should be read in conjunction with same unless the RFP specifically indicates otherwise. In the event the Contractor has presented terms and conditions which conflict with the State's, the State's terms and conditions shall prevail, unless the Contractor is notified in writing of the State's specific acceptance of some or all of the Contractor's terms and conditions.

2. STATE LAW REQUIRING MANDATORY COMPLIANCE BY ALL CONTRACTORS:

The statutes, laws or codes cited herein are available for review at the New Jersey State Library, 185 West State Street, Trenton, New Jersey 08625.

2.1 BUSINESS REGISTRATION:

As a condition to entering into a State Contract, pursuant to N.J.S.A. 52:32-44, the State is prohibited from entering into a Contract with an entity unless the bidder and each subcontractor named in the bid proposal has a valid Business Registration Certificate on file with the Division of Revenue.

The Contractor and any subcontractor providing goods or performing services under the Contract, and each of their affiliates, shall, during the term of the Contract, collect and remit to the Director of the Division of Taxation in the Department of the Treasury the use tax due pursuant to the Sales and Use Tax Act, P.L. 1966, c. 30

(N.J.S.A. 54:32B-1 et seq.) on all their sales of tangible personal property delivered into the State. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG can be filed online at <http://www.state.nj.us/treasury/revenue/busregcert.htm>.

2.2 ANTI-DISCRIMINATION:

All parties to any Contract with the State agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A.10:51 et seq. and N.J.S.A.10:5-31 through 10:5-38, and all rules and regulations issued thereunder are hereby incorporated by reference.

2.3 PREVAILING WAGE ACT:

The New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.26 et seq. is hereby made part of every Contract entered into on behalf of the State of New Jersey except those Contracts which are not within the contemplation of the New Jersey Prevailing Wage Act. The bidder's signature on this proposal is his guarantee that neither he nor any subcontractors he might employ to perform the work covered by this proposal has been suspended or debarred by the Commissioner, Department of Labor for violation of the provisions of the Prevailing Wage Act and/or the Public Works Contractor Registration Acts; the bidder's signature on the proposal is also his guarantee that he

and any subcontractors he might employ to perform the work covered by this proposal shall comply with the provisions of the Prevailing Wage and Public Works Contractor Registration Acts, where required.

2.4 AMERICANS WITH DISABILITIES ACT:

The Contractor must comply with all provisions of the Americans with Disabilities Act (ADA), P.L. 101-336, in accordance with 42 U.S.C. 12101, et seq.

2.5 MACBRIDE PRINCIPLES:

The bidder must certify pursuant to N.J.S.A. 52:34-12.2 that it either has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein or that it will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles.

2.6 PAY TO PLAY PROHIBITIONS:

a. **Definitions** - For the purpose of this section, the following shall be defined as follows:

1) Contribution B means a contribution reportable as a recipient under The New Jersey Campaign Contributions and Expenditures Reporting Act, P.L. 1973, c83 (N.J.S.A. 19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Contributions in excess of \$300 during a reporting period are deemed "reportable" under these laws.

2) Business Entity B means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction, but does not include non profit or not for profit corporations. The definition of a business entity includes:

A. all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate and for a for profit entity, the following:

- (i) in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls 10% or more of the stock of the corporation;
- (ii) in the case of a general partnership: the partnership and any partner;
- (iii) in the case of a limited partnership: the limited partnership and any partner;
- (iv) in the case of a professional corporation: the professional corporation and any shareholder or officer;
- (v) in the case of a limited liability company: the limited liability company and any member;
- (vi) in the case of a limited liability partnership: the limited liability partnership and any partner;
- (vii) in the case of a sole proprietorship: the proprietor; and
- (viii) in the case of any other form of entity organized under the laws of this State or any other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;

B. any subsidiaries directly or indirectly controlled by the business entity;

C. any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and

D. if a business entity is a natural person, that person's spouse or civil union partner, or child residing in the same household provided, however, that, unless a contribution made by such spouse, civil union partner, or child is to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of Chapter 51.

b. Breach of Terms of Chapter 51 or EO 117 is a Breach of Retention Agreement -It shall be a breach of the terms of the Retention Agreement for the Business Entity to do any of the following:

- 1) make or solicit a contribution in violation of the Chapter 51 or EO 117;
- 2) knowingly conceal or misrepresent a contribution given or received;
- 3) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;
- 4) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor, or of Lieutenant Governor, or to any State, county or municipal party committee, or any legislative leadership committee;
- 5) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of Chapter 51 or EO 117;
- 6) fund contributions made by third parties, including consultants, attorneys, family members, and employees;
- 7) engage in any exchange of contributions to circumvent the intent of the Chapter 51 or EO 117; or
- 8) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Chapter 51 or EO 117.

2.10 SERVICE PERFORMANCE WITHIN U.S.:

Pursuant to N.J.S.A. 52:34-13.2, all Contracts primarily for services shall be performed within the United States, except when the Treasurer certifies in writing a finding that a required service cannot be provided by a Contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

A shift to performance of services outside the United States during the term of the Contract shall be deemed a breach of Contract. If, during the term of the Contract, the Contractor or subcontractor, proceeds to shift the performance of any of the services outside the United States, the Contractor shall be deemed to be in breach of its Contract, which Contract shall be subject to termination for cause pursuant to Section 3.3(b)(1) of the Standard Terms and Conditions, unless previously approved by the Treasurer.

2.11 COMPLIANCE – LAWS:

The Contractor must comply with all local, state and federal laws, rules and regulations applicable to this Contract and to the services performed hereunder.

3. INDEMNIFICATION AND INSURANCE

3.1 INDEMNIFICATION FOR THIRD PARTY CLAIMS -The Contractor shall indemnify and hold harmless the State of New Jersey, the NJPBA, and its employees, agents and affiliates from and against any and all damages, losses, liabilities and expenses including, without limitation, reasonable attorneys' fees, arising out of or resulting from:

a. any act or omission, event or occurrence that was or shall be caused by the Contractor, its employees, agents or affiliates relating to the business and operations of the Contractor of the NJPBA;

b. any libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights, including intellectual property rights, resulting from or relating to any programming produced or furnished by the Contractor; and

c. any breach by the Contractor of any of its obligations, representations, warranties, covenants or other agreements made by the Contractor in the Contract.

The Contractor's indemnification and liability under this section is not limited by, but is in addition to the insurance obligations contained in Section 3.2 of these Terms and Conditions.

3.2 INSURANCE -The Contractor shall secure and maintain in force for the term of the Contract insurance as provided herein. All required insurance shall be provided by insurance companies with an A-VIII or better rating by A.M. Best & Company. The Contractor shall provide the State with current certificates of insurance for all coverages and renewals thereof, naming the State as an Additional Insured and shall contain the provision that the insurance provided in the certificate shall not be canceled for any reason except after sixty (60) days written notice to the Treasurer of the State of New Jersey.

The insurance to be provided by the Contractor shall be as follows:

- a. Comprehensive General Liability Insurance or its equivalent: The minimum limit of liability shall be \$1,000,000 per occurrence as a combined single limit for bodily injury and property damage. The above required Comprehensive General Liability Insurance policy or its equivalent shall name the State, its officers, and employees as Additional Insureds. The coverage to be provided under these policies shall be at least as broad as that provided by the standard basic, unamended, and unendorsed Comprehensive General Liability Insurance occurrence coverage forms or its equivalent currently in use in the State of New Jersey, which shall not be circumscribed by any endorsement limiting the breadth of coverage.
- b. Automobile liability insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit. State of New Jersey, its officers and employees shall be named Additional Insureds. Physical damage insurance covering automobiles shall name the State of New Jersey Loss Payee to any State owned vehicles.
- c. ~~7~~ • ~~≥~~ Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:
 - \$2,000,000 BODILY INJURY, EACH OCCURRENCE
 - \$2,000,000 DISEASE EACH EMPLOYEE
 - \$2,000,000 DISEASE AGGREGATE LIMIT
- d. **Broadcast libel and errors/omissions insurance of at least \$5,000,000. The State of New Jersey shall be named Additional Insured by endorsement to this policy. The policy must be endorsed to cover Cyber Risk Multimedia/Technology Errors and Omissions. Any exclusion of coverage for actions by a governmental authority must be amended to exclude the State of New Jersey in their capacity as owner.**
- e. All Risk property insurance covering real and personal property of the State, including property in vehicles and while in transit, for the replacement cost of the property. State shall be named loss payee under the property insurance.
- f. Umbrella Liability Insurance in an amount not less than \$10 million per occurrence and in the aggregate naming the State of New Jersey as Additional Insured.

4. TERMS GOVERNING OPERATING CONTRACT(S)

4.1 CONTRACTOR IS INDEPENDENT CONTRACTOR:

The Contractor's status shall be that of any independent Contractor and not as an employee of the State.

4.2 TERMINATION OF CONTRACT

a. For Cause

The NJPBA may terminate the Contract (i) immediately by giving written notice if, in the reasonable good faith discretion of the NJPBA, the Station is operated by the Contractor in a manner contrary to the best interests of NJPBA, the public interest, convenience and necessity, FCC rules and regulations, the Communications Act of 1934, as amended, or other applicable law; or (ii) if Contractor otherwise breaches its obligations under the Contract and the Contractor fails to cure such breach within thirty (30) days of written notice from the PBA.

b. Upon termination of the Contract, NJPBA shall assume complete operational responsibility for the Station, and the Contractor shall be relieved of all obligations under the Contract except for: obligations incurred prior to the effective date of the termination; the obligation to provide a final accounting pursuant to the Contract and the obligation to cooperate with NJPBA to wind up ~~the~~ operation of the Station in an orderly fashion.

c. In the event of termination under this section, the Contractor shall be compensated for work performed in accordance with the Contract, up to the date of termination. Such compensation may be subject to adjustments.

4.3 SUBCONTRACTING OR ASSIGNMENT:

The Contractor may not subcontract other than as identified in the Contractor's proposal or assigns its responsibilities under the Contract, in whole or in part, without the prior written consent of the NJPBA. Such consent, if granted, shall not relieve the Contractor of any of his responsibilities under the Contract.

4.4 NO CONTRACTUAL RELATIONSHIP BETWEEN SUBCONTRACTORS AND STATE:

Nothing contained in any of the Contract documents, including the RFP and vendor's bid or proposal shall be construed as creating any Contractual relationship between any subcontractor and the State.

4.5 MERGERS, ACQUISITIONS:

If, during the term of this Contract, the Contractor shall merge with or be acquired by another firm, the Contractor shall give notice to the NJPBA as soon as practicable and in no event longer than 30 days after said merger or acquisition. The Contractor shall provide such documents as may be requested by the NJPBA which may include but need not be limited to the following:

- a. Corporate resolutions prepared by the awarded Contractor and new entity ratifying acceptance of the original Contract, terms, conditions and prices.
- b. State of New Jersey Bidders Application reflecting all updated information including ownership disclosure, pursuant to provision 1.5.
- c. Vendor Federal Employer Identification Number.

The documents must be submitted within 30 days of the request. Failure to do so may result in termination of the Contract for cause.

If, at any time during the term of the Contract, the Contractor's partnership, limited liability company, limited liability partnership, professional corporation, or corporation shall dissolve, the NJPBA must be so notified. All responsible parties of the dissolved business entity must submit to the NJPBA in writing, the names of the parties proposed to perform the Contract, and the names of the parties to whom payment should be made. No payment shall be made until all parties to the dissolved business entity submit the required documents to the NJPBA.

4.6 APPLICABLE LAW AND JURISDICTION:

This Contract and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles and shall be filed in the appropriate Division of the New Jersey Superior Court. The State does not consent to federal court jurisdiction.

4.7. CONTRACT AMENDMENT:

The Contract may only be amended by written agreement of the State and the Contractor.

4.8 MAINTENANCE OF RECORDS:

The Contractor shall maintain records for products and/or services delivered against the Contract for a period of three (3) years from the date of final payment unless otherwise specified in the RFP. Such records shall be made available to the State upon request.

4.9 AVAILABILITY OF FUNDS: The State's obligation to make any payment under the Contract is contingent upon the availability of appropriated funds and receipt of revenues from which payment for Contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless and until funds are appropriated each fiscal year to the using agency by the State Legislature and made available through receipt of revenues.

Management and Programming Agreement
Attachment 1
FORM OF STATEMENT FOR EACH STATION

**STATEMENT OF STATION POLICIES OF
LICENSEE**

Licensee ("Licensee"), Licensee of Radio Station _____
(the "Station"), hereby establishes the following standards, practices, policies and regulations to govern the broadcast of all programming aired over the Station. The following standards, practices and policies are to be adhered to in the preparation, writing, production and broadcasting of all advertisements and programs aired over the Station:

I. No Payola Or "Plugola". The mention of any business activity or "plug" for any commercial, professional or other related endeavor on the Station is prohibited, except where contained in an underwriting message that complies with the requirements of Section 399B of the Communications Act and Section 73.503 of the rules of the Federal Communications Commission ("FCC") and such message contains a sponsorship identification announcement which meets the requirements of Section 317 of the Communications Act and Section 73.1212 of the FCC's rules.

II. No Lotteries. Except as expressly permitted under Section 73.1211 of the FCC's rules, no announcements, messages or programs may be broadcast over the Station (without the express prior written approval of the Licensee) which give any information about or which promote any lotteries or games of chance, including any bingo games and the like, which are to be held by a local church or other non-profit institution or organization. A lottery, for these purposes, is a game or promotion in which a prize is awarded and where the selection of the winner or the amount or nature of the prize is determined in whole or in part on the basis of chance, and where contestants enter the

promotion by paying or promising any form of consideration (e.g., money, substantial time, or substantial energy).

III. Station Identification Announcements Required. A Station identification announcement must be broadcast each time the Station goes on the air and when it signs off the air. A Station identification announcement must also be broadcast each hour, as close to the top of the hour as feasible, at a natural break in programming, and shall comply with the requirements of Section 73.1201 of the FCC's rules.

IV. Contests and Promotions. In the event that the Programs contain information about any contest that the Manager conducts, the Manager shall comply with Section 73.1216 of the FCC's rules by fully and accurately disclosing the material terms of the contest and by conducting the contest "substantially as announced." No contest description shall be broadcast on the Station where the Manager knows that such description is false, misleading or deceptive with respect to any material term.

V. Obscenity and Indecency Prohibited. No obscene material may be broadcast over the facilities of the Station. No indecent material may be broadcast on the Station during any time when the airing of such programming would be contrary to law or FCC regulations or policies. For these purposes, "indecent" material is defined as language or material that describes sexual or excretory activities or organs in a patently offensive manner, as measured by contemporary community standards for the broadcast medium. Material will be considered obscene if (a) the average person, applying contemporary community standards, would find that the material appeals to the prurient interest, (b) it describes or depicts, in a patently offensive manner, sexual conduct as defined by applicable state law, and (c) taken as a whole, it lacks serious literary, artistic, political or scientific value.

VI. Advertising. No advertisements as defined by Section 399B of the Communications Act and Section 73.503 of the FCC's rules, shall be broadcast on the Station.

VII. Defamatory Statements Prohibited. No statements known to be libelous or defamatory may be broadcast on the Station. Libel is a false statement of fact about a person, which tends to injure that person's reputation or otherwise cause injury or damages to that person.

VIII. "Equal Time" For Political Candidates. If a legally qualified candidate for public office is allowed to "use" (as defined in Section 73.1941(b) of the FCC's rules) the Station during his/her campaign, his/her legally qualified opponents must be afforded equal opportunities to appear on the Station.

IX. Sponsorship Identification Announcements. All sponsored programs must (a) contain an announcement stating the fact that the matter broadcast was sponsored, paid for, furnished by, or in support of the Station, and must disclose the true identity of the person or entity on whose behalf payment was made or promised for the broadcast, or (b) otherwise comply with Section 317 of the Communications Act and Section 73.1212 of the FCC's rules. Whenever such a sponsorship identification announcement is required, the announcement must be made both at the beginning and conclusion of each program of over five minutes in length. If a sponsored broadcast is five minutes or less in duration, only one such announcement is required, and it may be made either at the beginning or the conclusion of the broadcast or announcement.

Schedule 5A: Form of Sharing Agreement

See attached.

SHARING AGREEMENT

THIS SHARING AGREEMENT (this "Agreement") is made this ____ day of _____, 2011, by and between New Jersey Public Broadcasting Authority, an independent instrumentality of the State of New Jersey allocated in, but not of, the Department of the Treasury of the State of New Jersey ("NJPBA") and WHY Y, Inc. ("WHYY").

RECITALS

WHEREAS, NJPBA is the owner of the broadcast-related equipment described in Attachment A hereto (the "Equipment");

WHEREAS, concurrently herewith, WHY Y is acquiring from NJPBA pursuant to an Asset Purchase Agreement dated June ____, 2011 (the "Purchase Agreement") certain radio stations that currently use the Equipment for the purposes set forth in Attachment A; and

WHEREAS, NJPBA and WHY Y are willing to share the use of the Equipment under the terms hereunder.

NOW THEREFORE, be it agreed as follows:

1. During the term of this Agreement, NJPBA shall provide WHY Y with access to and use of the Equipment, in substantially the same manner as provided to the radio stations during NJPBA's ownership thereof. Such sharing arrangement covers all components of the Equipment described in Attachment A.
2. Each of NJPBA and WHY Y shall operate the Equipment in compliance with the applicable provisions of the rules of the Federal Communications Commission ("FCC") and any other applicable laws. NJPBA shall bear responsibility for the Equipment's compliance with FCC rules and shall maintain the Equipment in adequate operating condition and in accordance with reasonable engineering standards.
3. At all times during the term of this Agreement, all Equipment operated pursuant to this Agreement shall be subject to absolute control by NJPBA. It is understood that NJPBA, as the owner, is responsible for assuring that the Equipment is used only by persons and for purposes consistent with the FCC's rules and applicable law. WHY Y shall not make any physical alterations to or connections with the Equipment without the prior written approval of NJPBA, and WHY Y shall pay, within thirty (30) days of receipt of an invoice therefor, for repair of any damages resulting from WHY Y's alterations, connection to or use of the Equipment.
4. A copy of this Agreement shall be kept as part of the Equipment's records.
5. This Agreement shall commence on the date hereof and shall terminate by written notice of a party to the other: (a) if NJPBA ceases to own or operate the Equipment or (b) if WHY Y no longer requires use of the Equipment. If a party fails to perform its obligations under this Agreement in any material respect and such failure continues for a period of ten (10) Business Days (as such term is defined in the Purchase Agreement) after the non-defaulting party has provided the defaulting party

with written notice thereof, then the non-defaulting party may terminate this Agreement by giving written notice to the defaulting party.

6. During the term of this Agreement or upon termination of this Agreement pursuant to Section 5(a) above, in the event that NJPBA determines to sell and/or assign the Equipment to any other party (an "Equipment Transfer"), NJPBA shall provide WHY Y with an opportunity, for a period of sixty (60) days, to negotiate exclusively for the purchase or assignment of the Equipment to WHY Y before the Equipment is offered to any other party.

7. WHY Y shall be responsible for a pro rata share of all applicable out-of-pocket costs reasonably incurred by NJPBA in the operation and maintenance of the Equipment during the term hereof. NJPBA shall provide invoices to WHY Y for such costs (along with reasonable supporting documentation). No additional fees shall be due under this Agreement.

8. This Agreement constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior or contemporaneous, express or implied, written or oral, agreements, representations and conditions between the parties. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement is not intended to be, and shall not be construed as, an agreement to form a partnership, agency relationship, or joint venture between the parties. Neither party shall be authorized to act as an agent of or otherwise to represent the other party. Neither party may assign this Agreement without the prior written consent of the other. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Any notices under this Agreement shall be given pursuant to the notice provision of the Purchase Agreement.

9. The parties acknowledge and agree that NJPBA shall not provide indemnification and that any claim by WHY Y against NJPBA related to this Agreement or the transactions contemplated hereby shall be governed by the New Jersey Contractual Liability Act. (L. 1974, c. 45, N.J.S.A. 59:13-1 et seq.) and the New Jersey Tort Claims Act (L.1972, c. 45, N.J.S.A. 59:1-1 et seq.).

10. WHY Y shall indemnify and hold harmless NJPBA and all officers, directors, employees, partners, members and agents of NJPBA, from and against any and all liabilities, obligations, losses, damages, costs, expenses, claims, penalties, lawsuits, proceedings, actions, judgments, disbursements of any kind or nature whatsoever, interest, fines, settlements and reasonable attorneys' fees and expenses of such claimant arising from any and all claims arising out of WHY Y's breach of this Agreement.

11. This Agreement and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles and shall be filed in the appropriate Division of the New Jersey Superior Court. NJPBA does not consent to federal court jurisdiction.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Sharing Agreement to be executed as of the date first above written.

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

By: _____
Name: _____
Title: _____

WHYY, INC.

By: _____
Name: _____
Title: _____

Attachment A

WNJS-FM, Waterford (Berlin site)

900' 1 5/8" Transmission line
with splitters at both ends

Shared with NJPBA ENG and NJPBA
455Mhz two way

WNJB-FM, Bridgeton

Scala parareflector STL antenna
225' 7/8" transmission line

Shared with WRTI
Shared with WRTI

Schedule 5B: Form of License Agreement

See attached.



TOWER ACCESS AND LICENSE AGREEMENT

THIS TOWER ACCESS AND LICENSE AGREEMENT (the “Agreement”) is made as of the ____ day of _____, 20__ (the “Commencement Date”) between NEW JERSEY PUBLIC BROADCASTING AUTHORITY, an instrumentality of the State of New Jersey, having an office at 25 South Stockton Street, PO Box 777, Trenton, New Jersey 08625 (herein after alternatively called “Licensor” “NJN” and “NJPBA”) and WHYY, Inc., having an office at Independence Mall West, 150 North Sixth Street, Philadelphia, Pennsylvania 19106 (herein after called “Licensee”).

NOW, THEREFORE, the parties, for the exchange of consideration as described and set forth herein, covenant and agree as follows:

Section 1. LICENSE

Licensor hereby grants to Licensee, the non-exclusive right to install, operate, use, occupy and maintain radio broadcast equipment (including already installed equipment) more specifically described in Exhibit A of this section at the premises described in Section 2 of this Agreement, together with the non-exclusive right of ingress and egress thereto, for the term set forth in Section 3 of this Agreement in exchange of the consideration set forth in Section 4 of this Agreement and subject to all other terms and conditions of this Agreement set forth herein (the “License”).

A. Equipment. The right to install and maintain radio broadcast equipment as indicated in Exhibit A (including already installed equipment), provided by Licensee and located at the site (or to be located at the site in a location to be approved by NJPBA), subject to any changes to such equipment made in accordance with this Agreement.

Section 2. LICENSED PREMISES

Licensor is the tenant under a ground lease with _____ (the “Master Lease”) with respect to a tower sited on property located at the street address of _____. The tower and its site are hereafter referred to as the “Licensed Premises”. Licensee shall have the non-exclusive right to access the Licensed Premises during the term of this Agreement.

Licensor shall use commercially reasonable efforts to keep the Master Lease in full force and effect, shall comply with the Master Lease in all material respects and shall not take any action or omit to take any action that would constitute a breach or default thereunder. Licensor shall promptly provide Licensee with copies of all written notices it receives from the landlord under the Master Lease.

Section 3. TERM

The initial term of this Agreement shall be for five-years, beginning on the date of this Agreement (the “Commencement Date”).

At the conclusion of the five-year term, this Agreement shall automatically renew for up to four additional five (5) year terms unless, at least sixty (60) days before the expiration of the then-current five-year term, Licensee notifies Licensor in writing of its intent not to renew the Agreement. Such renewal shall be on the same terms and conditions in effect during the initial term, with the exception of the amount of the fee for use of the Licensed Premises.

Section 4. LICENSE FEE

During the first two years after the Commencement Date, no fee shall be due from Licensee to Licensor under this Agreement. During the remaining years of the initial term and all subsequent terms, the License fee shall be as set forth in the attached Schedule 4.

LICENSE FEE CALCULATION CRITERIA

NJPBA utilizes the following criteria in determining tower site License rates. The installation of an antenna (typical 450 MHz 10 dB gain) including brackets and not more than four feet out from the leg of the tower, and fed with a transmission line having a diameter of not more than 7/8" installed not higher than the 500 ft. level of the tower, or less, shall be considered as a reference installation in terms of rental fees. Such installation results in 41 square feet of two dimensional wind surface area. Rent of such an installation will be \$ 605.00 per month in 2010. Deviation from the reference installation will result in a modification of the rental cost. Examples of such deviations are:

1. Installation of antenna located more than +/- 20 ft. vertically from any guy pull-off elevation.
2. Antennas different from that of the reference antenna.
3. Transmission lines other than 7/8" diameter.
4. More than one transmitter/receiver diplexed combination.
5. More than one standard rack space for equipment or use of a self-contained prefabricated shelter or pad.
6. In the event that a substantial change from the reference installation is requested, it may be necessary that a computer analysis be made by Stainless, Inc., and the cost of this study shall be borne by the Licensee.

Section 5. INSTALLATION

1. Licensee shall install only the antenna and transmission line on the tower that has been approved by Licensor. Licensee shall have the right to install, remove, operate, repair and maintain its equipment located at the Licensed Premises and shall have the right to make such alterations to its equipment as its operations reasonably require; provided, however, that any non-routine material changes shall be first approved by Licensor (which approval may be by email). Licensor shall promptly respond to any requests by Licensee to alter its equipment at the Licensed Premises, and shall not unreasonably withhold, delay or condition its consent. Licensee shall be responsible for any damage to the Licensed Premises caused by alterations to its equipment. It is understood and agreed that Licensee's ability to use the Licensed Premises is contingent upon it obtaining all of the certificates, permits, and other approvals that may be required by any federal, state or local authorities which will permit Licensee's use of the Licensed Premises as set forth above, such approval to be obtained at the Licensee's sole cost and expense.
2. Licensee and Licensor shall each be responsible for taking such steps as may be reasonably necessary to prevent any interference or spurious radiation with the broadcasting facilities of the other or others presently on the tower caused by its transmission or other activities on the Licensed Premises. If such interference or spurious radiation cannot be reduced to levels reasonably acceptable to the non-interfering party, the non-interfering party may elect to terminate this Agreement by giving the interfering party written notice.

Licensor hereby confirms to Licensee that there is no interference or spurious

radiation with the broadcasting facilities of Licensor or others presently on the tower as of the date of this Agreement.

3. If applicable, Licensee shall provide NJPBA if requested with a copy of any frequency study that must be made to prove that its proposed frequencies will not cause interference to other installations on the tower.
4. If applicable, Licensee shall provide Licensor with a copy of the engineering section of its FCC construction permit for modifications to its facilities on the tower.
5. The installation of the material equipment must be approved by the Engineering Department of the NJPBA within a reasonable time. The Licensee agrees that the installation will be done in a neat workmanship manner. The Licensee shall be responsible for all installation costs.
6. **THE FOLLOWING PROVISIONS ARE MATERIAL TERMS OF THE LICENSE:**
 - A. Antenna brackets must be approved by NJPBA.
 - B. If required by NJPBA, each separate party will install, for his own use only, a 1/2" aluminum conduit to be fastened at least every 8' in exactly the space designated. This transmission line will be wrap-locked to this conduit. Those parties having more than one installation must use this conduit for the additional transmission line cables. This conduit is not required for rigid transmission lines, circular rigid waveguide, or semi-flexible transmission lines larger than 1-1/2" diameter.

- C. Only non-rustable hardware will be used.
- D. No painting of any hardware or brackets will be allowed.
- E. No drilling or welding to any part of the tower will be allowed.
- F. All rustable material must be hot-dipped galvanized after fabrication including bolts, nuts and washers.
- G. No electronics will be installed on the tower.
- H. Base equipment must be in weatherproof outdoor cabinets.
- I. Base cabinets must be identified with a weatherproof label on which the Licensee's name, address, telephone number as well as the call letters will be inscribed. Typed cards under plastic are not suitable.
- J. Each Licensee will be given a key to unlock the gate for maintenance purposes. If this key is lost, the Licensee will bear the expense of retooling four locks and providing twenty-four (24) new keys. Such keys and locks will be provided by NJPBA and billed to the Licensee.
- K. Antenna must be identified by a metal tag fastened securely to its bracket on the tower at the antenna level so that maintenance men will know the ownership of each antenna system.
- L. NJPBA reserves the right to have the Licensee construct a building to house Licensee's electronic equipment near the base of the tower (cost of which shall be borne entirely by Licensee) in the event that Licensee's space requirements become excessive. This building cannot be subleased, but if extra space is available, the building's

cost can be prorated to other NJPBA licensees. In the event of termination or non-renewal of this Agreement, the building will remain the property of NJPBA. Radiotelephone installations shall be made so that the electronic equipment will be installed in a weatherproof cabinet under the protective ice shield between the rear of the building and the base of the tower. Each such installation shall occupy not more than 1/4 of the available bay space. If necessary, power will be provided by the Licensor to a weatherproof circuit breaker box near the base of the tower, at a one-time cost of \$150.00. A key will be provided to all Licensees that will open the padlock on the sliding gate for maintenance personnel.

M.

(1) A. Antenna: Make _____ Model _____
Size of Dia. _____ Ht. Above Grd. _____ feet
Dia. Of Main Pole _____ Windloading _____
Pounds at 100 miles/hr.
Ant. Brackets Make _____ Model _____

B. Transmission Line:

Qty: _____ Type _____
Rigid _____ Flexible _____

C. Transmitter:

Make: _____ Model _____
Rated Output _____ watts Output Pwr This Use _____ watts
Input Power (AC), _____ Watts

D. Frequency:

Transmit _____ MHz Receive _____ MHz

AM _____ FM _____ Other _____

- (2) Insurance Certificate supplied to NJPBA _____
- (3) Copy of FCC CP or License supplied to NJPBA _____
- (4) Installation Details (inc. ant. Bracket) supplied to NJPBA _____
- (5) Frequency conflict study supplied to NJPBA _____

All installations and operations in connection with this Agreement by Licensee shall meet with all applicable rules and regulations of the Federal Communications Commission, Federal Aviation Administration and all applicable codes and regulations of the municipality, county and State concerned. Under this Agreement, the Licensor assumes no responsibility for the licensing, operation and/or maintenance of Licensee's radio broadcast equipment.

Licensor represents and warrants to Licensee that the equipment located as of the date hereof at the Licensed Premises complies in all material respects with the requirements of Section 5.

Section 6. MAINTENANCE

Licensee, at its own expense, shall maintain Licensee's property in accordance with reasonable engineering standards to assure that at all times Licensee's property and its operation at the Licensed Premises is in conformance in all material respects with the requirements of the Federal Communications Commission and all other public authorities with jurisdiction over Licensee.

Licensor, at its own expense, shall maintain the tower, transmitter building and Licensed Premises in adequate operating condition, in accordance with reasonable engineering standards consistent with Licensor's past practice and in conformance in all material respects with the requirements of the Federal Communications Commission and all other public authorities with

jurisdiction over Licensor.

Section 7. UTILITIES

Licensee, at its own expense, shall be responsible for securing any utility service it requires at the site. If separate utility service and metering is not feasible, Licensee shall pay to Licensor a reasonable pro rata share of utility costs at the site that are allocable to Licensee's electricity usage at the site. Electricity costs are not included in the rent paid by Licensee to Licensor and such costs are the sole responsibility of Licensee. Notwithstanding anything to the contrary in this Agreement, neither the Licensor nor any of its assignees shall be responsible for any electrical outages that result from circumstances beyond the control of the Licensor or its assignees. Licensee shall be solely responsible for any actual or consequential costs or damages as a result of electrical outages caused by it.

Section 8. REAL ESTATE TAXES

If real estate taxes are assessed with respect to the site because of the Licensee's facilities and equipment, the Licensee shall be solely responsible for the payment of the taxes attributed to its improvements and Licensee shall pay any such real estate taxes as additional rent to the Licensor.

Section 9. INSURANCE

A. The Licensee shall procure and maintain at its sole cost and expense, before commencing any installation and/or maintenance on the tower, a policy or policies of insurance covering workman's compensation and general liability issued by an insurer licensed to do business in the State of New Jersey and rated at least A- by A.M. Best reasonably acceptable to the Licensor, and said insurance shall provide for the payment of compensation in accordance with the laws of the State of New Jersey for all workmen employed in the State of New Jersey, and employees of the Licensee in the State of New Jersey, and its contractors and sub-contractors, and, further, insuring

the State of New Jersey, New Jersey Public Broadcasting Authority, NJN and their agents and employees against any and all liability for personal injury or death of such workmen and employees.

None of the requirements contained herein as to types or limits on Licensor's approval of insurance coverage to be maintained by Licensee are intended to and shall not in any manner limit, qualify or quantify the liabilities and obligations assumed by Licensee under this License or otherwise provided by law. The policy of general liability shall include a single limit of not less than Ten Million Dollars (\$10,000,000.00), naming the State of New Jersey and New Jersey Public Broadcasting Authority as additional insureds, and Licensee shall furnish Licensor with a certificate evidencing such insurance and stating that such coverage shall not be canceled or changed until Licensor shall be given thirty (30) days notice in writing. The insurance must be carried throughout the term of this Agreement and any renewals hereunder. A certificate of insurance in accordance with the requirements of this Section 9 shall be provided to the Licensor prior to the commencement by Licensee of any installation and/or maintenance provided for in this Agreement.

B. Licensee shall have all companies performing work on the tower in connection with this License complete a statement provided by Licensor or provide evidence of insurance coverage as specified herein. These statements or insurance certificates should be mailed to Licensor C/O Director of Engineering at the Licensor's address.

Section 10. INDEMNIFICATION.

The Licensee hereby assumes all risk of and responsibility for, and agrees to indemnify and save harmless the State of New Jersey, New Jersey Public Broadcasting Authority, NJN and their agents and employees from and against any and all claims, demands, suits, actions, recoveries, judgements, and costs and expenses in connection therewith (including attorneys fees), made, brought or obtained on account of the loss of life, property or injury or damage to the person or

property of any person or persons whomsoever, whether such person or persons be the Licensor, its agents or employees, or the Licensee, its agents or employees, any contractors, or sub-contractors, employed by the Licensee, their agents or employees, or any third parties, which loss of life or property, or injury or damage to persons or property, shall be due to or arise out of or result from Licensee's activities under this Agreement. Licensee hereby agrees the liability of the Licensor with respect to the transactions contemplated hereby shall be governed by the New Jersey Contractual Liability Act (L. 1974, c. 45, s. 59:13-1) and the New Jersey Tort Claims Act (L.1972, c. 45, s. 59:1-1).

Section 11. ASSIGNMENT

Licensee shall not assign or transfer this Agreement without prior written consent of Licensor, which shall not be unreasonably withheld, delayed or conditioned. Nothing herein shall preclude the assignment by Licensor of the Master Lease, which includes the Licensed Premises, provided that this Agreement shall be binding upon and inure to the benefit of Licensor's successors and/or assigns who shall assume this Agreement. This Agreement shall be binding and inure to the benefit of the parties and their respective successors and permitted assigns.

Section 12. REMOVAL OF LICENSEE'S EQUIPMENT UPON TERMINATION

Licensee agrees to remove its antenna and equipment, at its expense, within thirty (30) days after termination of this Agreement. Failure to remove within thirty (30) days will automatically transfer title of equipment to NJPBA, in which case Licensee waives all right and title therein, and Licensor retains all rights, in law and equity, to pursue action against Licensee for any and all costs related to Licensor's removal of Licensee's equipment (including attorney's fees). Licensee shall repair any loss or damage to the Licensed Premises or any part thereof caused or resulting from the removal of its equipment (whether removed by or at the direction of Licensor or Licensee).

Section 13. DEFAULT AND TERMINATION

If Licensee defaults in payment of the License fee provided in Section 4 or under any other provision of this Agreement and such default is not cured within thirty (30) days after receipt of written notice of such default from Licensor, Licensor may terminate this Agreement upon thirty (30) days written notice, except that in the case of two or more defaults involving a material term contained in Section 5, Licensor may terminate this Agreement upon thirty (30) days written notice whether or not the default was subsequently cured. Upon termination of this Agreement pursuant hereto, Licensor shall have the right to remove Licensee or any person occupying the Licensed Premises and the antenna and other equipment belonging to the same at Licensee's expense without prejudice to any other remedies which might be otherwise available to Licensor.

Licensee shall make payment to the Licensor for all related and associated costs of removal within thirty (30) days of receipt of Licensor's invoice.

If Licensor defaults under any provision of this Agreement and such default is not cured within thirty (30) days after receipt of written notice of such default from Licensee, Licensee may terminate this License Agreement upon thirty (30) days written notice.

Section 14. LIENS

Licensee shall have no interest in the Licensed Premises to this Agreement other than a leasehold interest. In the event any mechanic's, laborer's, materialmen's or any other lien shall at any time be filed against the Licensed Premises or the tower as a result of Licensee's occupancy or construction thereon, Licensee shall, within thirty (30) days after such lien is made or filed cause the same to be discharged of record by payment, order of a court of competent jurisdiction, or otherwise. Notice is hereby given that the Licensor shall not be liable for any labor or materials furnished to the Licensee and no mechanic's or other lien shall attach to or affect the estate or interest of Licensor in

and to the property licensed herein.

Section 15. PROCEDURE FOR ENERGIZING NEWLY INSTALLED SYSTEMS

After installation of a new system has been completed (including power conduit to the circuit breaker box), the Engineering Office shall be notified. Telephone: 609-777-5165. An NJPBA engineer may inspect the installation and, if satisfactory, will permit the circuit breaker to be connected. Licensee's installation person(s) must be present for such inspections which will take place only during normal working hours, Monday through Friday.

Licensee will provide pictures showing (1) antenna, (2) a photograph of the base cabinet or structure installation showing outside label. These photographs will be given to the NJPBA engineer.

Section 16. STATE INSTRUMENTALITY

Notwithstanding any other provision to the contrary, it is understood that Licensor is an instrumentality of the State of New Jersey and can only exercise those powers expressly granted to it by the pertinent laws of the State of New Jersey or those that are necessarily implied from the powers that are expressly granted. Licensor's obligations hereunder are made subject to appropriations, from time to time, from the Legislature for purposes hereof. In the event Licensor is temporarily or permanently prevented, restricted, or delayed in the performance of any or all of the duties and obligation imposed upon or assumed by it under the terms and provisions of this Agreement, Licensor, its officers, directors, agents or employees shall be liable only to the extent permitted by the laws of the State of New Jersey, including, but not limited to the New Jersey Contractual Liability Act (L. 1974, c. 45, s. 59:13-1) and the New Jersey Tort Claims Act (L.1972, c. 45, s. 59:1-1), for any costs, losses, damages, injuries, or liabilities caused or suffered or incurred by Licensee or any other legal entity in connection with, or as a result of, or growing out of such

prevention, restriction, or delay with respect to this Agreement, and any claims by Licensee against Licensor with respect to this Agreement shall be governed by such acts.

Section 17. DAMAGE OR DESTRUCTION

a. In the event damage to the Licensed Premises is caused by either Licensor or Licensee, its contractors, agents, servants, employees or invitees, the party causing the damage shall, at its sole cost and expense, promptly repair the damage after written demands therefor by the other party and within the time period reasonably prescribed by such party in said written notice.

b. If the party causing the damage fails to so repair the damage within thirty (30) days after receipt of written notice from the other party or within such other reasonable time period as may be set by such party in said written demand, such party may, at its option, elect to make said repairs and the party causing the damage shall pay or reimburse the reasonable costs thereof to the other party within thirty (30) days after demand therefor and/or declare this License null and void and seek from the party causing the damage the costs for repairs.

c. In the event the tower at the Licensed Premises is fully or partially destroyed by fire, lightning, collapse, vandalism or other casualty so as to be unfit for Licensee's intended use hereunder and the tower cannot be rebuilt by Licensor within one hundred eighty (180) days from the date of such casualty event, then Licensee may terminate this Agreement by written notice to Licensor. Licensee shall have no obligation to pay rent during any period in which the Licensed Premises are unfit for Licensee's normal operations and shall be entitled to a pro rata refund from Licensor of any prepaid rent.

Section 18. HOLDOVER

Should Licensee hold over after the termination of this Agreement, with or without the express consent of Licensor, and whether or not such consent is in writing, the resulting tenancy

Section 21. AUTHORITY

Licensor and Licensee each represent and warrant to the other that it has the power and authority to enter into this Agreement, it is in good standing in the jurisdiction of its organization and, with respect to the Licensee only it is qualified to do business in the State of New Jersey, it has duly authorized this Agreement, and this Agreement is binding upon it, and the execution, delivery, and performance by it of this Agreement does not conflict with any other agreement to which it is a party.

Section 22. MISCELLANEOUS

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and may not be modified or amended (and the terms hereof may not be waived) except in writing signed by the party against whom enforcement is sought. This Agreement may be executed in separate counterparts.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TOWER ACCESS AND LICENSE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have hereunto caused this instrument to be executed by their duly authorized officers, under seal, as of the date first above written.

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

By _____

Name:

Title: Executive Director

Dated: _____

WHYY, INC.

By: _____

Name: William J. Marrazzo

Title: President & Chief Executive Officer

Dated: _____

EXHIBIT A

Equipment:

SCHEDULE 4
License Fee

In consideration of the granting of said License, after the rent-free period set forth in Section 4, Licensee shall pay Licensor a fee in the amount of \$_____ per year, payable each year on or before the anniversary of the Commencement Date; or alternatively payable in equal monthly installments of \$_____ on the 1st of each month beginning on the anniversary of the Commencement Date. After the rent-free period set forth in Section 4, the License fee shall increase one and one-half percent (1.5%) over the previous year's License fee. The License fee for any partial year shall be prorated.

Schedule 5C: License Agreements – Stations

WNJB-FM, Bridgeton, New Jersey

Antenna Site Master Lease – Agreement, dated as of [undated], 1996, by and between the County of Cumberland and New Jersey Network*

WNJN-FM, Atlantic City, New Jersey

Antenna Site Master Lease – Agreement, dated as of October 13, 1988, by and between New Jersey Public Broadcasting Authority and NJ Transit Bus Operations, Inc.*

WNJS-FM, Berlin, New Jersey

Antenna Site Master Lease – Not applicable; Seller owns this site and will enter into an agreement with Buyer to permit Buyer's use of this site

WNJZ(FM), Cape May Court House, New Jersey

Antenna Site Master Lease – License Agreement, dated as of September 25, 2000, by and between New Jersey Public Broadcasting Authority and Atlantic Coast Communications, Inc.*

* Required Consent

Schedule 5D: License Agreements – Fees

**Southern Radio Deal
Five Year Forecast for Expense Purposes**

	NJN Use	Site Owner	Rent Free Yr 1	Rent Free Yr 2	Yr 3	Yr 4	Yr 5
Bridgeton	WNJB-FM	Cumberland Co. OEM.					
		Tower (incl STL and Antenna)	0	0	6,000	6,090	6,181
		Building Space	0	0	1,200	1,218	1,236
Cape May Courthouse	WNJZ-FM	Atlantic Coast Communications Inc.					
		Tower (incl STL and Antenna)	0	0	9,000	9,135	9,272
		Building Space	0	0	3,000	3,045	3,091
Atlantic City	WNJN-FM	NJ Transit – Newark, NJ					
		Tower (incl STL and Antenna)	0	0	9,000	9,135	9,272
		Building Space	0	0	3,000	3,045	3,091
Berlin	WNJS-FM	NJPBA on land from DEP					
		Tower (incl rec ant, antenna, STL origination, etc)	0	0	12,000	12,180	12,363
		Building Space	0	0	3,000	3,045	3,091
Totals			0	0	46,200	46,893	47,596

After two-year rent free period, rent increases by 1.5% per year.

Schedule 6.1(c): Proceedings Affecting FCC Authorizations

None.

Schedule 6.1(e): Absence of Conflicting Agreements

Seller consents – see Schedule 1.1(d).

Communications Workers of America, AFL-CIO v. State of New Jersey (Juvenile Justice Commission, Motor Vehicle Commission and New Jersey Network), Docket No. L-1187-11, and the grievance claim by Communications Workers of America, filed on Oct 15, 2010, collectively assert claims that the State of New Jersey, in connection with the transactions contemplated by this Agreement, has violated certain procedural requirements of an agreement between plaintiff Communications Workers of America and the State of New Jersey.

Schedule 6.2(e): Standard Terms

**State of New Jersey
New Jersey Public Broadcasting System
New Jersey Network
Standard Terms and Conditions**

1. STANDARD TERMS AND CONDITIONS APPLICABLE TO THE CONTRACT:

Unless the bidder is specifically instructed otherwise in the Request for Proposals (RFP), the following terms and conditions shall apply to the Contract between the Contractor and the New Jersey Public Broadcasting System ("NJPS" or the "State"). These terms are in addition to the terms and conditions set forth in the RFP and should be read in conjunction with same unless the RFP specifically indicates otherwise. In the event the Contractor has presented terms and conditions which conflict with the State's, the State's terms and conditions shall prevail, unless the Contractor is notified in writing of the State's specific acceptance of some or all of the Contractor's terms and conditions.

2. STATE LAW REQUIRING MANDATORY COMPLIANCE BY ALL CONTRACTORS:

The statutes, laws or codes cited herein are available for review at the New Jersey State Library, 185 West State Street, Trenton, New Jersey 08625.

2.1 BUSINESS REGISTRATION:

As a condition to entering into a State Contract, pursuant to N.J.S.A. 52:32-44, the State is prohibited from entering into a Contract with an entity unless the bidder and each subcontractor named in the bid proposal has a valid Business Registration Certificate on file with the Division of Revenue.

The Contractor and any subcontractor providing goods or performing services under the Contract, and each of their affiliates, shall, during the term of the Contract, collect and remit to the Director of the Division of Taxation in the Department of the Treasury the use tax due pursuant to the Sales and Use Tax Act, P.L. 1966, c. 30 (N.J.S.A. 54:32B-1 *et seq.*) on all their sales of tangible personal property delivered into the State. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG can be filed online at <http://www.state.nj.us/treasury/revenue/busregcert.htm>.

2.2 ANTI-DISCRIMINATION:

All parties to any Contract with the State agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A.10:51 *et seq.* and N.J.S.A.10:5-31 through 10:5-38, and all rules and regulations issued thereunder are hereby incorporated by reference.

2.3 PREVAILING WAGE ACT:

The New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.26 *et seq.* is hereby made part of every Contract entered into on behalf of the State of New Jersey except those Contracts which are not within the contemplation of the New Jersey Prevailing Wage Act. The bidder's signature on this proposal is his guarantee that neither he nor any subcontractors he might employ to perform the work covered by this proposal has been suspended or debarred by the Commissioner, Department of Labor for violation of the provisions of the Prevailing Wage Act and/or the Public Works Contractor Registration Acts; the bidder's signature on the proposal is also his guarantee that he and any subcontractors he might employ to perform the work covered by this proposal shall comply with the provisions of the Prevailing Wage and Public Works Contractor Registration Acts, where

required.

2.4 AMERICANS WITH DISABILITIES ACT:

The Contractor must comply with all provisions of the Americans with Disabilities Act (ADA), P.L. 101-336, in accordance with 42 U.S.C. 12101, et seq.

2.5 MACBRIDE PRINCIPLES:

The bidder must certify pursuant to N.J.S.A. 52:34-12.2 that it either has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein or that it will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles.

2.6 PAY TO PLAY PROHIBITIONS:

a. **Definitions** - For the purpose of this section, the following shall be defined as follows:

1) Contribution B means a contribution reportable as a recipient under The New Jersey Campaign Contributions and Expenditures Reporting Act., P.L. 1973, c83 (N.J.S.A. 19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Contributions in excess of \$300 during a reporting period are deemed "reportable" under these laws.

2) Business Entity B means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction, but does not include non profit or not for profit corporations. The definition of a business entity includes:

A. all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate and for a for profit entity, the following:

- (i) in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls 10% or more of the stock of the corporation;
- (ii) in the case of a general partnership: the partnership and any partner;
- (iii) in the case of a limited partnership: the limited partnership and any partner;
- (iv) in the case of a professional corporation: the professional corporation and any shareholder or officer;
- (v) in the case of a limited liability company: the limited liability company and any member;
- (vi) in the case of a limited liability partnership: the limited liability partnership and any partner;
- (vii) in the case of a sole proprietorship: the proprietor; and
- (viii) in the case of any other form of entity organized under the laws of this State or any other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;

B. any subsidiaries directly or indirectly controlled by the business entity;

C. any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and

D. if a business entity is a natural person, that person's spouse or civil union partner, or child residing in the same household provided, however, that, unless a contribution made by such spouse, civil union partner, or child is to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of Chapter 51.

b. Breach of Terms of Chapter 51 or EO 117 is a Breach of Retention Agreement -It shall be a breach of the terms of the Retention Agreement for the Business Entity to do any of the following:

- 1) make or solicit a contribution in violation of the Chapter 51 or EO 117;
- 2) knowingly conceal or misrepresent a contribution given or received;
- 3) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;
- 4) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or of Lieutenant Governor, or to any State, county or municipal party committee, or any legislative leadership committee;
- 5) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of Chapter 51 or EO 117;
- 6) fund contributions made by third parties, including consultants, attorneys, family members, and employees;
- 7) engage in any exchange of contributions to circumvent the intent of the Chapter 51 or EO 117; or
- 8) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Chapter 51 or EO 117.

2.10 SERVICE PERFORMANCE WITHIN U.S:

Pursuant to N.J.S.A. 52:34-13.2, all Contracts primarily for services shall be performed within the United States, except when the Treasurer certifies in writing a finding that a required service cannot be provided by a Contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

A shift to performance of services outside the United States during the term of the Contract shall be deemed a breach of Contract. If, during the term of the Contract, the Contractor or subcontractor, proceeds to shift the performance of any of the services outside the United States, the Contractor shall be deemed to be in breach of its Contract, which Contract shall be subject to termination for cause pursuant to Section 3.3(b)(1) of the Standard Terms and Conditions, unless previously approved by the Treasurer.

2.11 COMPLIANCE – LAWS:

The Contractor must comply with all local, state and federal laws, rules and regulations applicable to this Contract and to the services performed hereunder.

3. INDEMNIFICATION AND INSURANCE

3.1 INDEMNIFICATION FOR THIRD PARTY CLAIMS -The Contractor shall indemnify and hold harmless the State of New Jersey, the NJPBA, and its employees, agents and affiliates from and against any and all damages, losses, liabilities and expenses including, without limitation, reasonable attorneys' fees, arising out of or resulting from:

- a. any act or omission, event or occurrence that was or shall be caused by the Contractor, its employees, agents or affiliates relating to the business and operations of the Contractor of the NJPBA;
- b. any libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights,

including intellectual property rights, resulting from or relating to any programming produced or furnished by the Contractor; and

c. any breach by the Contractor of any of its obligations, representations, warranties, covenants or other agreements made by the Contractor in the Contract.

The Contractor's indemnification and liability under this section is not limited by, but is in addition to the insurance obligations contained in Section 3.2 of these Terms and Conditions.

3.2 INSURANCE -The Contractor shall secure and maintain in force for the term of the Contract insurance as provided herein. All required insurance shall be provided by insurance companies with an A-VIII or better rating by A.M. Best & Company. The Contractor shall provide the State with current certificates of insurance for all coverages and renewals thereof, naming the State as an Additional Insured and shall contain the provision that the insurance provided in the certificate shall not be canceled for any reason except after sixty (60) days written notice to the Treasurer of the State of New Jersey.

The insurance to be provided by the Contractor shall be as follows:

- a. Comprehensive General Liability Insurance or its equivalent: The minimum limit of liability shall be \$1,000,000 per occurrence as a combined single limit for bodily injury and property damage. The above required Comprehensive General Liability Insurance policy or its equivalent shall name the State, its officers, and employees as Additional Insureds. The coverage to be provided under these policies shall be at least as broad as that provided by the standard basic, unamended, and unendorsed Comprehensive General Liability Insurance occurrence coverage forms or its equivalent currently in use in the State of New Jersey, which shall not be circumscribed by any endorsement limiting the breadth of coverage.
- b. Automobile liability insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit. State of New Jersey, its officers and employees shall be named Additional Insureds. Physical damage insurance covering automobiles shall name the State of New Jersey Loss Payee to any State owned vehicles.
- c. ~~7~~ ~~05~~ Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:

\$2,000,000 BODILY INJURY, EACH OCCURRENCE
\$2,000,000 DISEASE EACH EMPLOYEE
\$2,000,000 DISEASE AGGREGATE LIMIT
- d. **Broadcast libel and errors/omissions insurance of at least \$5,000,000. The State of New Jersey shall be named Additional Insured by endorsement to this policy. The policy must be endorsed to cover Cyber Risk Multimedia/Technology Errors and Omissions. Any exclusion of coverage for actions by a governmental authority must be amended to exclude the State of New Jersey in their capacity as owner.**
- e. All Risk property insurance covering real and personal property of the State, including property in vehicles and while in transit, for the replacement cost of the property. State shall be named loss payee under the property insurance.
- f. Umbrella Liability Insurance in an amount not less than \$10 million per occurrence and in the aggregate naming the State of New Jersey as Additional Insured.

4. TERMS GOVERNING OPERATING CONTRACT(S)

4.1 CONTRACTOR IS INDEPENDENT CONTRACTOR:

The Contractor's status shall be that of any independent Contractor and not as an employee of the State.

4.2 TERMINATION OF CONTRACT

a. For Cause

The NJPBA may terminate the Contract (i) immediately by giving written notice if, in the reasonable good faith discretion of the NJPBA, the Station is operated by the Contractor in a manner contrary to the best interests of NJPBA, the public interest, convenience and necessity, FCC rules and regulations, the Communications Act of 1934, as amended, or other applicable law; or (ii) if Contractor otherwise breaches its obligations under the Contract and the Contractor fails to cure such breach within thirty (30) days of written notice from the PBA.

- b. Upon termination of the Contract, NJPBA shall assume complete operational responsibility for the Station, and the Contractor shall be relieved of all obligations under the Contract except for: obligations incurred prior to the effective date of the termination; the obligation to provide a final accounting pursuant to the Contract and the obligation to cooperate with NJPBA to wind up ~~the~~ operation of the Station in an orderly fashion.
- c. In the event of termination under this section, the Contractor shall be compensated for work performed in accordance with the Contract, up to the date of termination. Such compensation may be subject to adjustments.

4.3 SUBCONTRACTING OR ASSIGNMENT:

The Contractor may not subcontract other than as identified in the Contractor's proposal or assigns its responsibilities under the Contract, in whole or in part, without the prior written consent of the NJPBA. Such consent, if granted, shall not relieve the Contractor of any of his responsibilities under the Contract.

4.4 NO CONTRACTUAL RELATIONSHIP BETWEEN SUBCONTRACTORS AND STATE:

Nothing contained in any of the Contract documents, including the RFP and vendor's bid or proposal shall be construed as creating any Contractual relationship between any subcontractor and the State.

4.5 MERGERS, ACQUISITIONS:

If, during the term of this Contract, the Contractor shall merge with or be acquired by another firm, the Contractor shall give notice to the NJPBA as soon as practicable and in no event longer than 30 days after said merger or acquisition. The Contractor shall provide such documents as may be requested by the NJPBA which may include but need not be limited to the following:

- a. Corporate resolutions prepared by the awarded Contractor and new entity ratifying acceptance of the original Contract, terms, conditions and prices.
- b. State of New Jersey Bidders Application reflecting all updated information including ownership disclosure, pursuant to provision 1.5.
- c. Vendor Federal Employer Identification Number.

The documents must be submitted within 30 days of the request. Failure to do so may result in termination of the Contract for cause.

If, at any time during the term of the Contract, the Contractor's partnership, limited liability company, limited liability partnership, professional corporation, or corporation shall dissolve, the NJPBA must be so notified. All responsible parties of the dissolved business entity must submit to the NJPBA in writing, the names of the parties proposed to perform the Contract, and the names of the parties to whom payment should be made. No payment shall be made until all parties to the dissolved business entity submit the required documents to the NJPBA.

4.6 APPLICABLE LAW AND JURISDICTION:

This Contract and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles and shall be filed in the appropriate Division of the New Jersey Superior Court. The State does not consent to federal court jurisdiction.

4.7. CONTRACT AMENDMENT:

The Contract may only be amended by written agreement of the State and the Contractor.

4.8 MAINTENANCE OF RECORDS:

The Contractor shall maintain records for products and/or services delivered against the Contract for a period of three (3) years from the date of final payment unless otherwise specified in the RFP. Such records shall be made available to the State upon request.

4.9 AVAILABILITY OF FUNDS: The State's obligation to make any payment under the Contract is contingent upon the availability of appropriated funds and receipt of revenues from which payment for Contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless and until funds are appropriated each fiscal year to the using agency by the State Legislature and made available through receipt of revenues.



State of New Jersey
OFFICE OF THE STATE TREASURER
PO Box 002
TRENTON NJ 08625-0002

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

ANDREW P. SIDAMON - ERISTOFF
State Treasurer

June 13, 2011

Hon. Stephen M. Sweeney, President of the New Jersey Senate
Hon. Sheila Oliver, Speaker of the New Jersey General Assembly

Dear President Sweeney and Speaker Oliver:

As State Treasurer, pursuant to Section 5(g) of the New Jersey Public Broadcasting System Transfer Act, L. 2010, c. 104 (the "Transfer Act"), I am submitting a negotiated asset purchase agreement (the "Negotiated Sales Contract") to be entered into with the New Jersey Public Broadcasting Authority ("NJPBA") and WHYY, Inc. ("WHYY"). The Negotiated Sales Contract provides for the sale of certain stations of the NJPBA's Radio Broadcast Network. These stations are: WNJN-FM Atlantic City, WNJS-FM Berlin, WNJB-FM Bridgeton, WNJM(FM) Manahawkin and WNJZ(FM). Because the sale of these stations will require approval by the Federal Communications Commission ("FCC"), it is also necessary that the NJPBA and WHYY enter into a short-term management and programming agreement for these stations (the "Negotiated Management Agreement") so that WHYY can begin managing and programming the stations on July 1, 2011 until such time as the FCC approves the sale of the station licenses. The Negotiated Sales Contract and the Negotiated Management Agreement shall be collectively referred to herein as the "Negotiated Contracts". Kindly cause the date of the submission of these Negotiated Contracts to be recorded upon the Senate Journal and the Minutes of the General Assembly, respectively.

WHYY's board has approved the entering into by WHYY of these Negotiated Contracts and an authorized officer of WHYY has executed the Negotiated Contracts. In accordance with Section 5(g)(2) of the Transfer Act, unless a concurrent resolution is adopted by the State Senate and the General Assembly disapproving the Negotiated Contracts, within fifteen (15) days of this submission, the Negotiated Contracts shall be deemed approved by the State Legislature. Once the Negotiated Contracts have been deemed approved and the NJPBA has given its approval, the Negotiated Contracts will be executed by the State Treasurer, as Chairman of the NJPBA. The effective date of the Negotiated Contracts is July 1, 2011.

WHYY was selected pursuant to a competitive procurement process. The State Treasurer issued a Request for Proposals for Sale of the New Jersey Network (NJN) Radio Broadcast Network on February 7, 2011. Proposals were received from three

bidders by the submission deadline of March 11, 2011. The proposals were reviewed by the State Treasurer's financial advisor, Public Radio Capital, Boulder, Colorado and by special counsel on Federal Communications Commission ("FCC") matters, Dow Lohnes PLLC, Washington, D.C. The proposals were then evaluated by the State Advisory Committee consisting of Gregg Edwards, Director of Policy, Office of the Governor, Steven Petrecca, Assistant State Treasurer and Michael Jonas, Operations Manager, Department of the Treasury. On March 28, 2011, the State Advisory Committee recommended that two bidders, WHYY and New York Public Radio, be invited to interviews to discuss their proposals and to subsequently submit best and final offers. These interviews took place and each entity submitted their best and final offers by the April 15, 2011 deadline. The best and final offers were evaluated by Public Radio Capital and Dow Lohnes. The best and final offers were then evaluated by the State Advisory Committee, which recommended to the State Treasurer that the offer of WHYY with respect to the stations listed above be selected. Negotiations with WHYY on the Negotiated Contracts commenced and were concluded on June 3, 2011.

The FCC regulates broadcasting stations and NJPBA, as license holder for the radio broadcasting licenses, remains ultimately responsible to the FCC for the radio stations and their programming and operation, during the term of the Negotiated Management Agreement. During the term of the Negotiated Management Agreement, the NJPBA, as FCC license holder, will still have control of the radio stations under FCC rules. As such, NJPBA will remain as an operating State authority, with the necessary amount of employees to satisfy FCC requirements provided by the Department of the Treasury ("Treasury") to the NJPBA pursuant to a memorandum of understanding to be entered into between Treasury and NJPBA. Once the sale of the radio station licenses from NJPBA to WHYY is approved by the FCC and the radio sales consummated, the radio licenses for the stations listed above will be conveyed to WHYY and the Negotiated Management Agreement will terminate. After these radio stations are sold, NJPBA will no longer have any FCC obligations in connection with these stations.

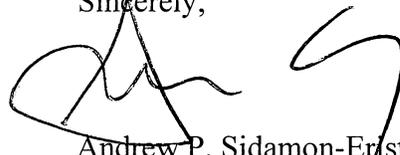
Funding for NJPBA going forward will be incorporated into the State budget. It is estimated that for Fiscal Year 2012, that amount will be approximately \$2 million. Additionally, the proceeds received from the sale of the NJPBA's radio broadcasting licenses and stations will be deposited pursuant to the Transfer Act in the Trust Fund for the Support of Public Broadcasting ("Trust Fund"). The Transfer Act requires that monies in the Trust Fund be dedicated for the support of a public broadcasting system serving the State. In furtherance of that purpose, monies in the Trust Fund will be used for capital improvements and repairs in order to maintain and preserve the State's remaining broadcasting assets, including its tower assets. Such assets are not being alienated from the State.

Enclosed is a copy of the Negotiated Sales Contract and the Negotiated Management Agreement. Also included is a summary of the material terms of the Negotiated Contracts and a summary of the procurement process which was used to arrive at the winning bidder for the Negotiated Contracts. By separate cover, we will also

deliver copies of all documents relevant to this proposed transaction for your consideration.

Finally, these Negotiated Contracts with WHY Y fulfill the goals outlined by Governor Christie last year of transitioning NJN to independence and sustainability, ending both the taxpayer subsidy of and the State's role in public radio broadcasting, while preserving a New Jersey-centric coverage and programming mission. The Negotiated Contracts with WHY Y will result in a stronger overall programming schedule that draws upon the full range of WHY Y offerings and its existing partnership with WBGO in Newark. With these Negotiated Contracts with WHY Y, New Jerseyans can be confident that public broadcasting in New Jersey will not only continue, but also has a bright and dynamic future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew P. Sidamon-Eristoff', written over a printed name.

Andrew P. Sidamon-Eristoff
Treasurer, State of New Jersey

Attachments: Negotiated Sales Contract
Negotiated Management Agreement
Summary of Material Terms

SUMMARY OF RADIO STATION SALE TO WHY, INC.	
A. Overview	<ul style="list-style-type: none"> New Jersey Public Broadcasting Authority ("NJPBA") proposes to enter into the agreements described below to sell the specified NJPBA-owned radio stations to WHY, Inc., a Pennsylvania nonprofit corporation ("WHY"), and to arrange the short-term management of those radio stations by WHY pending approval by the Federal Communications Commission ("FCC") of the assignment of the underlying FCC licenses to WHY.
B. The Stations	<ul style="list-style-type: none"> WNJN-FM, Atlantic City, New Jersey, WNJS-FM, Berlin, New Jersey, WNJB-FM, Bridgeton, New Jersey, WNJM(FM), Manahawkin, New Jersey, WNJZ(FM), Cape May Court House, New Jersey (together, collectively, the "Stations").
C. Asset Purchase Agreement	<ul style="list-style-type: none"> Pursuant to the Asset Purchase Agreement (the "APA"), NJPBA will sell to WHY the FCC licenses for each of the Stations, along with certain of NJPBA's assets used or useful in the operation of the Stations. WHY will pay \$926,000 in cash—the full appraised value—to acquire the FCC licenses and certain assets associated with WNJM(FM), WNJN-FM and WNJZ(FM), and WHY will provide in-kind consideration, valued at \$612,000, for the FCC licenses and certain assets associated with WNJB-FM and WNJS-FM. The in-kind consideration includes underwriting spots on WHY-TV over a three-year period, training for Camden teachers and after-school classes in digital video production for students, a WHY-funded media campaign in New Jersey, management time devoted to the operation of WNJB-FM and WNJS-FM, and WHY internships for New Jersey college students. The APA contains representations, warranties and covenants that are typical of noncommercial broadcast radio transactions of this type. Closing is conditioned upon FCC approval of the assignment of the Stations' licenses to WHY, as well as NJPBA obtaining third-party consents necessary to assign or sublease certain tower site property leases to WHY and, with respect to WNJM(FM), NJPBA obtaining approval to assign to WHY certain agreements relating the operation of WNJM(FM) or, alternatively, NJPBA securing replacement facilities.
D. Management and Programming Agreement	<ul style="list-style-type: none"> Pending FCC approval of the APA, WHY will assume the management and programming of the Stations on July 1, 2011 pursuant to a Management and Programming Agreement (the "MPA") between NJPBA and WHY. During the term of the MPA, which would terminate following the consummation or termination of the APA, WHY's operation and management of the Stations would be subject to NJPBA's ultimate control as the FCC licensee of the Stations. In exchange for the right to provide programming to the Stations, WHY would reimburse NJPBA for the expenses incurred by NJPBA in connection with the operation of the Stations.
E. Tower License and Access Agreement	<ul style="list-style-type: none"> At the closing of the APA, NJPBA and WHY will enter into Tower License and Access Agreements (each, a "TLAA") to provide WHY with subleases/sublicenses to certain facilities necessary to permit WHY to operate certain of the Stations as they are presently operated by NJPBA.
F. Sharing Agreement	<ul style="list-style-type: none"> Certain of the equipment used in connection with the operation of the Stations is being retained by NJPBA (1) for use in the operation of the NJPBA television stations or (2) because such equipment is shared with third parties and, thus, is not freely assignable by NJPBA (such equipment described in (1) and (2), the "Shared Equipment"). Following the closing of the APA and in connection with certain of the TLAA's, WHY will need to use certain of the Shared Equipment in connection with the operation of certain of the Stations. To that end, NJPBA and WHY will enter into a Sharing Agreement to permit WHY to use the Shared Equipment. The parties will share (pro rata) the costs of operating and maintaining the Shared Equipment.

MANAGEMENT AND PROGRAMMING AGREEMENT

THIS MANAGEMENT AND PROGRAMMING AGREEMENT is made this _____ day of June, 2011, by and between New Jersey Public Broadcasting Authority, an independent instrumentality of the State of New Jersey allocated in, but not of, the Department of the Treasury of the State of New Jersey (“Licensee”), and WHYY, Inc., a Pennsylvania nonprofit corporation (“Manager”).

RECITALS

WHEREAS, Licensee is the Federal Communications Commission (“FCC”) licensee of noncommercial educational radio stations WNJM(FM), Manahawkin, New Jersey, WNJN-FM, Atlantic City, New Jersey, WNJZ(FM), Cape May Courthouse, New Jersey, WNJS-FM, Berlin New Jersey and WNJB-FM, Bridgeton, New Jersey (including each such stations’ ancillary services—broadcast auxiliary remote pickups, studio-to-transmitter links, etc.—each, a “Station” and, collectively, the “Stations”);

WHEREAS, Manager is an experienced noncommercial station broadcaster and the licensee of a noncommercial educational FM radio station, pursuant to authorization of the FCC;

WHEREAS, Licensee and Manager desire that Manager undertake the management, programming and operation of the Stations for, and under the supervision of, Licensee;

WHEREAS, Licensee expects that management by Manager will promote quality public radio programming, including coverage of New Jersey issues consistent with Manager’s current programming (such public radio programming, including coverage of New Jersey issues consistent with Manager’s current programming, referred to herein as “New Jersey-Centric Programming”), over the facilities of the Stations;

WHEREAS, Manager and Licensee are entering into this Agreement under the authority of and subject in all respects to all applicable provisions of the New Jersey Public Broadcasting System Transfer Act (L. 2010, c. 104) (the “Transfer Act”);

WHEREAS, Licensee and Manager have entered into an Asset Purchase Agreement of even date herewith (the “Purchase Agreement”), pursuant to which Licensee has agreed to sell to Manager, and Manager has agreed to purchase from Licensee, the Stations and associated assets as described therein under the terms and conditions set forth in the Purchase Agreement;

WHEREAS, capitalized terms used herein but not defined herein have the meaning ascribed to them in the Purchase Agreement; and

WHEREAS, concurrently herewith, Licensee and Manager are entering into the Sharing Agreement.

NOW, THEREFORE, in consideration of the above recitals and mutual promises and other good consideration, the parties agree as follows:

1. MANAGEMENT

(a) In General. Manager hereby agrees to manage and program the Stations under the supervision and control of Licensee. As FCC licensee, Licensee shall at all times retain ultimate responsibility for the Stations' essential functions, including programming, finances and personnel of the Stations employed by Licensee. Subject to the foregoing limitations, the management services provided herein shall include certain aspects of the operation and management of the Stations, including, but not limited to, the production and acquisition of programming, administration of the Stations' activities, engineering maintenance and support for the Stations' facilities, financial management, accounting services, routine engineering services, and compliance with all applicable laws and regulations.

(b) Programming. Manager will program the Stations for twenty-four (24) hours per day, seven days per week with a public radio station news and information format (the "Programming"). The Programming shall serve the needs and interests of the Stations' community of license and further Licensee's educational objectives. Manager will not change the format of the Programming without the prior consent of Licensee. The Programming will comply with Licensee's program standards, set forth in Attachment 1 (which is in a form that Licensee has adopted for each Station), the Communications Act of 1934, as amended, the FCC's rules and all applicable content-related laws for broadcast programming. Manager will be responsible for obtaining or maintaining any and all intellectual property rights, including copyright licenses, necessary for the broadcast of the Programming over the Stations. Manager shall promptly report to Licensee any listener complaints or FCC inquiries concerning the Programming. Licensee shall have the right to preempt or reject any Programming if Licensee, in its reasonable judgment, concludes that the Programming does not serve the public interest or that alternate programming would better address local needs.

(c) Delivery of Programming. Manager shall deliver the Programming to the Stations at Manager's cost and expense. Manager will be responsible for all costs and expenses incurred in connection with equipment for receiving Programming at the Stations, including appropriate equipment for satellite reception, EAS compliance, and transmitter remote control.

(d) Financial Management. In addition to bearing its own expenses in connection with its duties hereunder, and in a manner consistent with FCC policies, Manager shall pay Licensee, in accordance with the budget set forth in Schedule 1(d), the sum of Seventeen Hundred Eighteen Dollars (\$1,718) per month, each payment due in arrears on the last day of each calendar month during the term of this Agreement, as reimbursement for the Stations' operating expenses reasonably incurred by Licensee in the ordinary course of business consistent with industry custom (taking into account this Agreement and the services provided by Manager to the Stations hereunder), including, but not limited to, utility charges and expenses related to the maintenance and repair of the transmission facilities. Fees for any partial month shall be prorated. Upon the first to occur of (i) Closing under the Purchase Agreement or (ii) the date six (6) months after the date of this Agreement (and, if (ii) occurs first, then again following the Closing under the Purchase Agreement), Manager and Licensee shall true up the difference between

Licensee's actual operating expenses incurred for the Stations and the amounts paid by Manager to Licensee pursuant to this Section, and the appropriate party shall make a prompt payment to the other in the amount of any such difference. In accordance with such true up, Licensee shall promptly provide Manager with reasonable supporting documentation for its expenses incurred. Notwithstanding anything in this Agreement to the contrary, Licensee shall bear full responsibility for the hiring, firing and compensation (without reimbursement by Manager) of the Stations' employees on Licensee's payroll, including staffing and other requirements necessary to satisfy the FCC's main studio rules and capital expenditures as provided by Section 1(b). Licensee shall remain ultimately responsible for the finances of the Stations, as required by FCC rules and policies.

(e) Manager acknowledges that Manager will provide the services as a contractor to an agency and instrumentality of the State of New Jersey. In providing such services, Manager shall comply with all applicable provisions of federal law and New Jersey law and regulations, including without limitation, New Jersey Public Broadcasting Authority Act of 1968 (L. 1968, c. 405), the Transfer Act, and the State of New Jersey, New Jersey Public Broadcasting System, New Jersey Network, Standard Terms and Conditions for Contractors (attached as Schedule 1(e) hereto, the "NJ Terms and Conditions"), as any of the foregoing are amended or supplemented from time to time. In the event of a conflict between any provision of the NJ Terms and Conditions and any other provision of this Agreement, such other provision of this Agreement shall govern.

2. TERM OF AGREEMENT

Unless sooner terminated in accordance with Section 3 of this Agreement, this Agreement shall commence on July 1, 2011 and shall continue in full force and effect until the earlier of: (a) the Closing Date, or (b) ten (10) days following the date of termination of the Purchase Agreement according to its terms.

3. TERMINATION

(a) Licensee may terminate this Agreement by written notice to Manager: (i) if, in the reasonable good faith discretion of Licensee as disclosed in writing to Manager, the Stations are operated by Manager in a manner contrary to the public interest, FCC rules and regulations or the Communications Act of 1934, as amended, and Manager fails to cure such operational matter within ten (10) days of written notice from Licensee, or (ii) if Manager breaches its obligations or its representations under this Agreement in any material respect, and Manager fails to cure such breach within thirty (30) days of written notice from Licensee.

(b) Manager may terminate this Agreement by written notice to Licensee: (i) if, in the reasonable good faith discretion of Manager as disclosed in writing to Licensee, Licensee unreasonably frustrates or impedes the effective management and programming of the Stations by Manager, and Licensee fails to cure such frustration or impediment within ten (10) days of written notice from Manager, or (ii) if Licensee breaches its obligations or its representations under this Agreement in any material respect, and Licensee fails to cure such breach within thirty (30) days of written notice from Manager.

(c) Upon termination of this Agreement (other than at Closing under the Purchase Agreement), Licensee shall assume complete operational responsibility for the Stations, and Manager shall be relieved of all obligations under this Agreement, except for: obligations incurred prior to the effective date of the termination and the obligation to reasonably cooperate with Licensee to wind up Manager's operation of the Stations in an orderly fashion. In the event of any termination of this Agreement (other than at Closing under the Purchase Agreement), either party may, but is not obligated to, terminate the Purchase Agreement upon written notice to the other. If this Agreement is terminated pursuant to Section 3(a)(i) or 3(b)(ii) and the Purchase Agreement is then terminated, Buyer shall be entitled to the Deposit under the Purchase Agreement and Licensee shall promptly return the Deposit to Buyer.

4. GRANTS/FUNDRAISING/MARKETING

(a) Grants. Licensee agrees to cooperate with Manager in applying for grants, awards, contributions, donations, bequests, devises, legacies or other property or monies (hereinafter collectively referred to as "grants") regardless of nomenclature, for the use or benefit of the Stations, including, but not limited to Corporation for Public Broadcasting ("CPB") grants, Public Telecommunications Facilities Program ("PTFP") grants, and any other grants applied for or received in the name of Licensee and intended for the use and benefit of the Stations, provided that (1) Manager drafts for Licensee's review and approval all applications or other documentation required by such grants; (2) Manager agrees to the terms and conditions of, and serves as fiscal agent for, such grants; and (3) Manager covers all administrative costs, such as audits or financial reports, required by such grants.

(b) Fundraising. Manager shall, in continuing consultation with Licensee staff, conduct fundraising activities for the benefit of the Stations, including but not limited to membership drives and efforts to secure program underwriting, in such manner as to seek to raise sufficient funds for Manager to professionally manage and operate the Stations. Manager shall conduct all fundraising so as to comply with the rules and policies of the FCC applicable to noncommercial educational broadcast stations, including (with specificity) Section 73.503(d) of the FCC rules, and with IRS requirements for documenting charitable contributions. Manager shall account to Licensee on a quarterly basis for all fundraising activities conducted for the benefit of, or over the air via, the Stations.

5. LICENSE MAINTENANCE

Licensee, as FCC licensee, has the ultimate responsibility with respect to all activities in connection with FCC license renewals, applications for facility changes and such other filings and reports as may be required by the FCC. Manager agrees to assist and advise Licensee in such activities and to prepare all necessary documents, filings and reports for the timely review and approval by Licensee in consultation with Licensee's own legal counsel.

6. RESPONSIBILITY OF FCC LICENSEE

Licensee and Manager acknowledge and agree that the operation of the Stations in compliance with all laws, rules, policies and regulations of the FCC is the ultimate responsibility of Licensee, as licensee. Nothing in this Agreement shall be construed as limiting, transferring, assigning or relieving Licensee of such responsibility. Licensee and Manager acknowledge that their relationship requires a commitment on both parties' parts to the mission of the Stations.

7. STANDARDS OF OPERATION

Manager agrees that it will comply with all legal requirements and manage and operate the Stations consistent with industry standards for noncommercial educational broadcasting, so that the Stations will provide quality Programming to their listeners. Manager further agrees to manage and operate the Stations, to the extent reasonably possible, in such a manner allowing the production and acquisition of radio programming of community value, and to combine these programs into a nonprofit radio service of high quality for broadcast to New Jersey.

8. INSTITUTIONAL COOPERATION AND MEDIA PROMOTION

(a) Identification of Licensee. Manager will air station identifications that comply with the FCC's rules at the beginning and end of each time of operation and on the hour while each of the Stations is on the air. Manager will identify Licensee as the Stations' licensee during each on-air identification, and, as feasible, in marketing or promotional materials that refer to the Stations.

(b) On-Air Announcements About Licensee. During the term of this Agreement, Manager may, but is not obligated to, air announcements over the Stations that will provide information on Licensee and its programs and opportunities, it being understood that Licensee wishes to share in the goodwill generated from the operation of the Stations. All such announcements shall comply with FCC requirements and Manager's internal underwriting guidelines and the requirements of Schedule 2.1(b) of the Purchase Agreement. Any such announcements provided by Licensee during the term of this Agreement shall be credited toward Manager's obligations after Closing set forth on Schedule 2.1(b) of the Purchase Agreement.

9. REPRESENTATIONS AND WARRANTIES

Manager represents and warrants that it will maintain its corporate organization and existence and operate in accordance with all laws and regulations applicable to nonprofit organizations in its state of organization. Manager represents and warrants that (a) it will manage, operate and program the Stations in full compliance with all applicable laws, rules and policies, including intellectual property law; (b) there are no events or circumstances within the control of Manager or of which Manager has knowledge that preclude or prohibit Manager from performing its obligations under this Agreement; and (c) no consent, approval, order, or authorization of, or registration, qualification, designation, declaration, or filing with, any governmental authority on the part of Manager is required

in connection with the execution, delivery, and performance of this Agreement. The execution, delivery and performance of this Agreement by Manager have been duly authorized by all necessary actions on the part of Manager. This Agreement constitutes a valid and binding obligation of Manager, enforceable against Manager in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

10. INSURANCE

(a) During the term of this Agreement and any extension or renewal thereof, Manager shall maintain insurance in compliance with the NJ Terms and Conditions.

(b) During the Term of this Agreement and any extension or renewal thereof, Licensee shall either self-insure or obtain insurance policies that insure Licensee's employees, agents and representatives. Coverage shall include, but not be limited to, media liability insurance covering liability arising out of any programming provided by Licensee; comprehensive general liability insurance; workers compensation insurance covering Licensee employees and agents who may visit the Stations' premises as needed; and property insurance covering damage to or risk of loss of equipment used in connection with the operation of the Stations.

11. CONSIDERATION

The parties acknowledge that their respective undertakings and commitments herein, designed to ensure the provision of quality New Jersey-Centric Programming to the Stations' listeners, constitute sufficient consideration for this Agreement.

12. RECORDS/ACCOUNTING

Manager shall keep full and adequate financial and accounting records of the Stations' activities and make such records, including, but not limited to, bank records, ledgers, accounts, journals, and audits, available for inspection by representatives of Licensee upon reasonable prior written notice. Within ten (10) Business Days after the end of each quarter or periodically after reasonable request by Licensee in connection with state accounting procedures (including fiscal year-end accounting procedures), Manager shall provide to Licensee a financial report, in a form reasonably acceptable to Licensee, that accounts for all revenues and expenses attributable to the Stations. In the event of any dispute concerning a reimbursable expense claimed by Licensee pursuant to Section 1.1(d), Manager shall escrow the amount claimed by Licensee until the claim is resolved. In the event the parties are unable to resolve the claim between them, they shall submit the matter to a mutually agreeable third party, whose decision shall be binding on both parties. Manager shall cause the operations and records of the Stations to be audited periodically in accordance with Corporation for Public Broadcasting audit requirements. Manager shall also cooperate with Licensee's auditor as part of Licensee's periodic audit, as may be reasonably requested by Licensee and its auditor, including permitting ordinary audit procedures to be followed involving the books and records of Manager. Licensee shall be responsible for ascertaining the programming needs of its community of license and

maintaining each Station's public inspection file in compliance with FCC requirements; provided, however, that Manager shall provide advice and assistance with respect to the ascertainment of programming needs and shall provide Licensee with all relevant documents and information required to be placed in the Stations' public inspection files.

13. RELATIONSHIP

During the term of this Agreement, subject to its terms and conditions, Manager is authorized to hold itself out as the manager and operator of the Stations. Manager shall serve as an independent contractor in rendering the services set forth herein and its employees shall not be employees of Licensee.

14. OVERSIGHT AND CONTROL

Notwithstanding anything in this Agreement to the contrary, Licensee shall retain and exercise oversight of and control over the activities and operations of the Stations. Without limiting the foregoing, Licensee (through its governing board or the board's designated representative(s)) shall have the right: (a) to promulgate basic policies regarding personnel (but only to the extent such personnel are working on matters relating to the Stations), finances and programming; (b) to direct the day-to-day activities of Manager's employees working on Licensee's premises or using Licensee's Station equipment (but only to the extent required by the FCC and only to the extent that such employees are working on premise or with equipment of the Licensee; (c) to inspect the Stations' facilities at any time during operation; (d) to consult with management of the Stations, review FCC-required operating and maintenance records and investigate operational complaints; and (e) to require reasonable written reports, no more often than once a quarter, with respect to a reasonable summary of each Station's programming service and personnel actions (including EEO compliance) during such period. For purposes of clarity, Licensee shall not have oversight or control of Manager's employees generally, but only to the extent that those employees are working on matters relating to the Stations within the scope of this Agreement. The Chief Operating Officer of Manager shall be responsible for reporting to the Licensee governing board or to the Licensee's officer(s) designated by Licensee.

15. NOTICES

All notices, demands, requests, waivers or other communications required or permitted under the provisions of this Agreement shall be (i) in writing; (ii) delivered by personal delivery, facsimile transmission (with automatic machine confirmation) or sent by commercial delivery service or certified U.S. mail, return receipt requested; (iii) deemed to have been given on the date of personal delivery, facsimile transmission (with automatic machine confirmation) or the date of delivery set forth in the records of the commercial delivery service or on the return receipt; and (iv) addressed to the recipient at the address specified below, or with respect to any party, to any other address that such party may from time to time designate in a writing delivered in accordance with this Section 15.

If to Licensee:

New Jersey Public Broadcasting
Authority
25 South Stockton Street
P.O. Box 777
Trenton, New Jersey 08625-0777
Attn: John Blair
Telephone: (609) 777-5255
Fax: (609) 633-0254

And:

David A. Ridolfino
Director, Division of Administration
N.J. Dept. of the Treasury
50 West State Street, 8th Floor
P.O. Box 211
Trenton, N.J. 08625
phone: 609-633-2825
fax: 609-633-9090

With copies (which shall not
constitute notice) to:

Kavin K. Mistry
Deputy Attorney General
Assistant Section Chief - Treasury
Office of the Attorney General
Department of Law and Public Safety
Division of Law
Richard J. Hughes Justice Complex
25 Market Street
P.O. Box 106
Trenton, New Jersey 08625-0106
Telephone: (609) 292-8564
Fax: (609) 777-3515

Dow Lohnes PLLC
1200 New Hampshire Avenue, N.W.
Suite 800
Washington, DC 20036
Attention: Margaret L. Miller, Esq.
Telephone: 202-776-2000
Fax: 202-776-2222

If to Manager:

WHYY, Inc.
Independence Mall West
150 North Sixth Street
Philadelphia, PA 19106
Attn: Mr. William J. Marrazzo,
President & Chief Executive Officer

Telephone: 215-351-1222
Fax: (215) 925-9373

With a copy (which shall not constitute notice) to:

WHYY, Inc.
Independence Mall West
150 North Sixth Street
Philadelphia, PA 19106
Attn: Kyra G. McGrath
Executive Vice President and Chief
Operating Officer
Telephone: 215-351-3302
Fax: (215) 925-9373

16. INDEMNIFICATION

(a) No Indemnification by Licensee. Manager recognizes and acknowledges that Licensee is an instrumentality of the State of New Jersey and without legal authority to enter into an indemnity arrangement for the benefit of Manager. The parties acknowledge and agree that any claim by Manager against Licensee related to this Agreement or the transactions contemplated hereby shall be governed by the New Jersey Contractual Liability Act. (L. 1974, c. 45, N.J.S.A. 59:13-1 et seq.) and the New Jersey Tort Claims Act. (L.1972, c. 45, N.J.S.A. 59:1-1 et seq.) and further agree that there shall be no recovery by Manager with respect thereto in excess of the Purchase Price.

(b) Indemnification by Manager. Manager shall indemnify and hold harmless Licensee and all officers, directors, employees, partners, members and agents of Licensee, (individually, a "Licensee Indemnitee") from and against any and all Losses arising from any and all Claims in which a Licensee Indemnitee may be involved or threatened to be involved, as a party or otherwise, arising out of Manager's gross negligence or willful misconduct in connection with the performance of the services under this Agreement, or Manager's breach of this Agreement; provided that neither Manager nor any of its affiliates shall be deemed a Licensee Indemnitee under this Section 16(b). Notwithstanding the foregoing or anything else herein to the contrary, the maximum aggregate liability of Manager under this Agreement shall be an amount equal to the Purchase Price.

(c) Other Rights and Remedies Not Affected. The indemnification rights of the parties under this Section 16 are independent of, and in addition to, such rights and remedies as the parties may have at law or in equity or otherwise for any intentional or knowing misrepresentation, breach of warranty or failure to fulfill any agreement or covenant hereunder on the part of any party hereto, including the right to seek specific performance, rescission or restitution, none of which rights or remedies shall be affected or diminished thereby.

17. SEVERABILITY

If any provision of this Agreement shall be prohibited by or invalid under applicable law, then so long as no party is deprived of the benefits of this Agreement in any material respect, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Agreement, provided that such remaining portions or provisions can be construed in substance to constitute the agreement that the parties intended to enter into in the first instance.

18. ASSIGNMENT; BINDING ON SUCCESSORS

This Agreement may not be assigned by either party without the other party's prior written consent, which may be given or withheld in its sole discretion. Any attempted assignment without such consent shall be cause for immediate termination of the Agreement by the other party. This Agreement shall bind and inure to the benefits of the parties' respective successors and permitted assigns. No assignment shall relieve a party of any obligation under this Agreement.

19. COMPLETE AGREEMENT; AMENDMENT

This Agreement (including the Schedules and Attachment hereto) contains the entire agreement of the parties with respect to the management and programming of the Stations during the term hereof, and, except as specifically referred to herein, all prior obligations, proposals and agreements relating to the subject matter hereof have been merged herein. This Agreement shall not be modified or amended except by agreement in writing duly executed by the parties hereto.

20. GOVERNING LAW

This Agreement and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles and shall be filed in the appropriate Division of the New Jersey Superior Court. Licensee does not consent to federal court jurisdiction.

21. COUNTERPARTS; FACSIMILE SIGNATURES

This Agreement may be signed in counterparts, each of which shall be deemed to be an original but which, when taken together, shall constitute one and the same instrument. Facsimile signature pages of this Agreement shall be valid and binding as original signatures and when the same are delivered by each party to the other party, such delivery shall be considered an agreement of the respective parties to fully execute and deliver to one another originally signed copies of this Agreement.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

LICENSEE – NEW JERSEY PUBLIC BROADCASTING AUTHORITY

By: _____

Title: _____

MANAGER – WHY, INC.

By: William J. Monaghan
Title: President/CEO, WHY, Inc.

[Signature Page to Management and Programming Agreement]

Budget for Reimbursable Expenses

	NJN Use	Site Owner	FY 2012	Monthly
Bridgeton	WNJB-FM	Cumberland Co. OEM.		
		Tower	0	0
		Building Space	\$0	\$0
		Electric	\$2,000	\$167
Cape May Courthouse	WNJZ-FM	Atlantic Coast Communications Inc.		
		Tower	\$0	\$0
		Building Space	\$0	\$0
		Electric	\$6,700	\$558
Atlantic City	WNJN-FM	NJ Transit -- Newark, NJ		
		Tower	\$0	\$0
		Building Space	\$0	\$0
		Electric	\$2,220	\$185
Manahawkin	WNJM-FM	Jersey Shore Broadcasting Corp.		
		Tower	\$8,600	\$717
		Building Space	\$0	\$0
		Electric	\$1,100	\$92
Berlin	WNJS-FM	NJPBA on land from DEP		
		Tower	\$0	\$0
		Building Space	\$0	\$0
		Electric	\$1,200	\$100
Totals			\$20,620	\$1,718

**State of New Jersey
New Jersey Public Broadcasting System
New Jersey Network
Standard Terms and Conditions**

1. STANDARD TERMS AND CONDITIONS APPLICABLE TO THE CONTRACT:

Unless the bidder is specifically instructed otherwise in the Request for Proposals (RFP), the following terms and conditions shall apply to the Contract between the Contractor and the New Jersey Public Broadcasting System ("NJPBA" or the "State"). These terms are in addition to the terms and conditions set forth in the RFP and should be read in conjunction with same unless the RFP specifically indicates otherwise. In the event the Contractor has presented terms and conditions which conflict with the State's, the State's terms and conditions shall prevail, unless the Contractor is notified in writing of the State's specific acceptance of some or all of the Contractor's terms and conditions.

2. STATE LAW REQUIRING MANDATORY COMPLIANCE BY ALL CONTRACTORS:

The statutes, laws or codes cited herein are available for review at the New Jersey State Library, 185 West State Street, Trenton, New Jersey 08625.

2.1 BUSINESS REGISTRATION:

As a condition to entering into a State Contract, pursuant to N.J.S.A. 52:32-44, the State is prohibited from entering into a Contract with an entity unless the bidder and each subcontractor named in the bid proposal has a valid Business Registration Certificate on file with the Division of Revenue.

The Contractor and any subcontractor providing goods or performing services under the Contract, and each of their affiliates, shall, during the term of the Contract, collect and remit to the Director of the Division of Taxation in the Department of the Treasury the use tax due pursuant to the Sales and Use Tax Act, P.L. 1966, c. 30 (N.J.S.A. 54:32B-1 et seq.) on all their sales of tangible personal property delivered into the State. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG can be filed online at <http://www.state.nj.us/treasury/revenue/busregcert.htm>.

2.2 ANTI-DISCRIMINATION:

All parties to any Contract with the State agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A.10:51 et seq. and N.J.S.A.10:5-31 through 10:5-38, and all rules and regulations issued thereunder are hereby incorporated by reference.

2.3 PREVAILING WAGE ACT:

The New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.26 et seq. is hereby made part of every Contract entered into on behalf of the State of New Jersey except those Contracts which are not within the contemplation of the New Jersey Prevailing Wage Act. The bidder's signature on this proposal is his guarantee that neither he nor any subcontractors he might employ to perform the work covered by this proposal has been suspended or debarred by the Commissioner, Department of Labor for violation of the provisions of the Prevailing Wage Act and/or the Public Works Contractor Registration Acts; the bidder's signature on the proposal is also his guarantee that he

and any subcontractors he might employ to perform the work covered by this proposal shall comply with the provisions of the Prevailing Wage and Public Works Contractor Registration Acts, where required.

2.4 AMERICANS WITH DISABILITIES ACT:

The Contractor must comply with all provisions of the Americans with Disabilities Act (ADA), P.L. 101-336, in accordance with 42 U.S.C. 12101, et seq.

2.5 MACBRIDE PRINCIPLES:

The bidder must certify pursuant to N.J.S.A. 52:34-12.2 that it either has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein or that it will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles.

2.6 PAY TO PLAY PROHIBITIONS:

a. **Definitions** - For the purpose of this section, the following shall be defined as follows:

1) Contribution B means a contribution reportable as a recipient under The New Jersey Campaign Contributions and Expenditures Reporting Act., P.L. 1973, c83 (N.J.S.A. 19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Contributions in excess of \$300 during a reporting period are deemed "reportable" under these laws.

2) Business Entity B means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction, but does not include non profit or not for profit corporations. The definition of a business entity includes:

A. all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate and for a for profit entity, the following:

- (i) in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls 10% or more of the stock of the corporation;
- (ii) in the case of a general partnership: the partnership and any partner;
- (iii) in the case of a limited partnership: the limited partnership and any partner;
- (iv) in the case of a professional corporation: the professional corporation and any shareholder or officer;
- (v) in the case of a limited liability company: the limited liability company and any member;
- (vi) in the case of a limited liability partnership: the limited liability partnership and any partner;
- (vii) in the case of a sole proprietorship: the proprietor; and
- (viii) in the case of any other form of entity organized under the laws of this State or any other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;

B. any subsidiaries directly or indirectly controlled by the business entity;

C. any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and

D. if a business entity is a natural person, that person's spouse or civil union partner, or child residing in the same household provided, however, that, unless a contribution made by such spouse, civil union partner, or child is to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of Chapter 51.

b. Breach of Terms of Chapter 51 or EO 117 is a Breach of Retention Agreement -It shall be a breach of the terms of the Retention Agreement for the Business Entity to do any of the following:

- 1) make or solicit a contribution in violation of the Chapter 51 or EO 117;
- 2) knowingly conceal or misrepresent a contribution given or received;
- 3) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;
- 4) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or of Lieutenant Governor, or to any State, county or municipal party committee, or any legislative leadership committee;
- 5) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of Chapter 51 or EO117;
- 6) fund contributions made by third parties, including consultants, attorneys, family members, and employees;
- 7) engage in any exchange of contributions to circumvent the intent of the Chapter 51 or EO 117;or
- 8) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Chapter 51 or EO 117.

2.10 SERVICE PERFORMANCE WITHIN U.S.:

Pursuant to N.J.S.A. 52:34-13.2, all Contracts primarily for services shall be performed within the United States, except when the Treasurer certifies in writing a finding that a required service cannot be provided by a Contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

A shift to performance of services outside the United States during the term of the Contract shall be deemed a breach of Contract. If, during the term of the Contract, the Contractor or subcontractor, proceeds to shift the performance of any of the services outside the United States, the Contractor shall be deemed to be in breach of its Contract, which Contract shall be subject to termination for cause pursuant to Section 3.3(b)(1) of the Standard Terms and Conditions, unless previously approved by the Treasurer.

2.11 COMPLIANCE – LAWS:

The Contractor must comply with all local, state and federal laws, rules and regulations applicable to this Contract and to the services performed hereunder.

3. INDEMNIFICATION AND INSURANCE

3.1 INDEMNIFICATION FOR THIRD PARTY CLAIMS -The Contractor shall indemnify and hold harmless the State of New Jersey, the NJPBA, and its employees, agents and affiliates from and against any and all damages, losses, liabilities and expenses including,, without limitation, reasonable attorneys' fees, arising out of or resulting from:

a. any act or omission, event or occurrence that was or shall be caused by the Contractor, its employees, agents or affiliates relating to the business and operations of the Contractor of the NJPBA;

b. any libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights, including intellectual property rights, resulting from or relating to any programming produced or furnished by the Contractor; and

c. any breach by the Contractor of any of its obligations, representations, warranties, covenants or other agreements made by the Contractor in the Contract.

The Contractor's indemnification and liability under this section is not limited by, but is in addition to the insurance obligations contained in Section 3.2 of these Terms and Conditions.

3.2 INSURANCE -The Contractor shall secure and maintain in force for the term of the Contract insurance as provided herein. All required insurance shall be provided by insurance companies with an A-VIII or better rating by A.M. Best & Company. The Contractor shall provide the State with current certificates of insurance for all coverages and renewals thereof, naming the State as an Additional Insured and shall contain the provision that the insurance provided in the certificate shall not be canceled for any reason except after sixty (60) days written notice to the Treasurer of the State of New Jersey.

The insurance to be provided by the Contractor shall be as follows:

- a. Comprehensive General Liability Insurance or its equivalent: The minimum limit of liability shall be \$1,000,000 per occurrence as a combined single limit for bodily injury and property damage. The above required Comprehensive General Liability Insurance policy or its equivalent shall name the State, its officers, and employees as Additional Insureds. The coverage to be provided under these policies shall be at least as broad as that provided by the standard basic, unamended, and unendorsed Comprehensive General Liability Insurance occurrence coverage forms or its equivalent currently in use in the State of New Jersey, which shall not be circumscribed by any endorsement limiting the breadth of coverage.
- b. Automobile liability insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit. State of New Jersey, its officers and employees shall be named Additional Insureds. Physical damage insurance covering automobiles shall name the State of New Jersey Loss Payee to any State owned vehicles.
- c. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:
 - \$2,000,000 BODILY INJURY, EACH OCCURRENCE
 - \$2,000,000 DISEASE EACH EMPLOYEE
 - \$2,000,000 DISEASE AGGREGATE LIMIT
- d. Broadcast libel and errors/omissions insurance of at least \$5,000,000. The State of New Jersey shall be named Additional Insured by endorsement to this policy. The policy must be endorsed to cover Cyber Risk Multimedia/Technology Errors and Omissions. Any exclusion of coverage for actions by a governmental authority must be amended to exclude the State of New Jersey in their capacity as owner.
- e. All Risk property insurance covering real and personal property of the State, including property in vehicles and while in transit, for the replacement cost of the property. State shall be named loss payee under the property insurance.
- f. Umbrella Liability Insurance in an amount not less than \$10 million per occurrence and in the aggregate naming the State of New Jersey as Additional Insured.

4. TERMS GOVERNING OPERATING CONTRACT(S)

4.1 CONTRACTOR IS INDEPENDENT CONTRACTOR:

The Contractor's status shall be that of any independent Contractor and not as an employee of the State.

4.2 TERMINATION OF CONTRACT

a. For Cause

The NJPBA may terminate the Contract (i) immediately by giving written notice if, in the reasonable good faith discretion of the NJPBA, the Station is operated by the Contractor in a manner contrary to the best interests of NJPBA, the public interest, convenience and necessity, FCC rules and regulations, the Communications Act of 1934, as amended, or other applicable law; or (ii) if Contractor otherwise breaches its obligations under the Contract and the Contractor fails to cure such breach within thirty (30) days of written notice from the PBA.

b. Upon termination of the Contract, NJPBA shall assume complete operational responsibility for the Station, and the Contractor shall be relieved of all obligations under the Contract except for: obligations incurred prior to the effective date of the termination; the obligation to provide a final accounting pursuant to the Contract and the obligation to cooperate with NJPBA to wind up Contractor's operation of the Station in an orderly fashion.

c. In the event of termination under this section, the Contractor shall be compensated for work performed in accordance with the Contract, up to the date of termination. Such compensation may be subject to adjustments.

4.3 SUBCONTRACTING OR ASSIGNMENT:

The Contractor may not subcontract other than as identified in the Contractor's proposal or assigns its responsibilities under the Contract, in whole or in part, without the prior written consent of the NJPBA. Such consent, if granted, shall not relieve the Contractor of any of his responsibilities under the Contract.

4.4 NO CONTRACTUAL RELATIONSHIP BETWEEN SUBCONTRACTORS AND STATE:

Nothing contained in any of the Contract documents, including the RFP and vendor's bid or proposal shall be construed as creating any Contractual relationship between any subcontractor and the State.

4.5 MERGERS, ACQUISITIONS:

If, during the term of this Contract, the Contractor shall merge with or be acquired by another firm, the Contractor shall give notice to the NJPBA as soon as practicable and in no event longer than 30 days after said merger or acquisition. The Contractor shall provide such documents as may be requested by the NJPBA which may include but need not be limited to the following:

- a. Corporate resolutions prepared by the awarded Contractor and new entity ratifying acceptance of the original Contract, terms, conditions and prices.
- b. State of New Jersey Bidders Application reflecting all updated information including ownership disclosure, pursuant to provision 1.5.
- c. Vendor Federal Employer Identification Number.

The documents must be submitted within 30 days of the request. Failure to do so may result in termination of the Contract for cause.

If, at any time during the term of the Contract, the Contractor's partnership, limited liability company, limited liability partnership, professional corporation, or corporation shall dissolve, the NJPBA must be so notified. All responsible parties of the dissolved business entity must submit to the NJPBA in writing, the names of the parties proposed to perform the Contract, and the names of the parties to whom payment should be made. No payment shall be made until all parties to the dissolved business entity submit the required documents to the NJPBA.

4.6 APPLICABLE LAW AND JURISDICTION:

This Contract and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles and shall be filed in the appropriate Division of the New Jersey Superior Court. The State does not consent to federal court jurisdiction.

4.7. CONTRACT AMENDMENT:

The Contract may only be amended by written agreement of the State and the Contractor.

4.8 MAINTENANCE OF RECORDS:

The Contractor shall maintain records for products and/or services delivered against the Contract for a period of three (3) years from the date of final payment unless otherwise specified in the RFP. Such records shall be made available to the State upon request.

4.9 AVAILABILITY OF FUNDS: The State's obligation to make any payment under the Contract is contingent upon the availability of appropriated funds and receipt of revenues from which payment for Contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless and until funds are appropriated each fiscal year to the using agency by the State Legislature and made available through receipt of revenues.

Management and Programming Agreement
Attachment 1
FORM OF STATEMENT FOR EACH STATION

**STATEMENT OF STATION POLICIES OF
LICENSEE**

Licensee ("Licensee"), Licensee of Radio Station _____
(the "Station"), hereby establishes the following standards, practices, policies and regulations to govern the broadcast of all programming aired over the Station. The following standards, practices and policies are to be adhered to in the preparation, writing, production and broadcasting of all advertisements and programs aired over the Station:

I. No Payola Or "Plugola". The mention of any business activity or "plug" for any commercial, professional or other related endeavor on the Station is prohibited, except where contained in an underwriting message that complies with the requirements of Section 399B of the Communications Act and Section 73.503 of the rules of the Federal Communications Commission ("FCC") and such message contains a sponsorship identification announcement which meets the requirements of Section 317 of the Communications Act and Section 73.1212 of the FCC's rules.

II. No Lotteries. Except as expressly permitted under Section 73.1211 of the FCC's rules, no announcements, messages or programs may be broadcast over the Station (without the express prior written approval of the Licensee) which give any information about or which promote any lotteries or games of chance, including any bingo games and the like, which are to be held by a local church or other non-profit institution or organization. A lottery, for these purposes, is a game or promotion in which a prize is awarded and where the selection of the winner or the amount or nature of the prize is determined in whole or in part on the basis of chance, and where contestants enter the

promotion by paying or promising any form of consideration (e.g., money, substantial time, or substantial energy).

III. Station Identification Announcements Required. A Station identification announcement must be broadcast each time the Station goes on the air and when it signs off the air. A Station identification announcement must also be broadcast each hour, as close to the top of the hour as feasible, at a natural break in programming, and shall comply with the requirements of Section 73.1201 of the FCC's rules.

IV. Contests and Promotions. In the event that the Programs contain information about any contest that the Manager conducts, the Manager shall comply with Section 73.1216 of the FCC's rules by fully and accurately disclosing the material terms of the contest and by conducting the contest "substantially as announced." No contest description shall be broadcast on the Station where the Manager knows that such description is false, misleading or deceptive with respect to any material term.

V. Obscenity and Indecency Prohibited. No obscene material may be broadcast over the facilities of the Station. No indecent material may be broadcast on the Station during any time when the airing of such programming would be contrary to law or FCC regulations or policies. For these purposes, "indecent" material is defined as language or material that describes sexual or excretory activities or organs in a patently offensive manner, as measured by contemporary community standards for the broadcast medium. Material will be considered obscene if (a) the average person, applying contemporary community standards, would find that the material appeals to the prurient interest, (b) it describes or depicts, in a patently offensive manner, sexual conduct as defined by applicable state law, and (c) taken as a whole, it lacks serious literary, artistic, political or scientific value.

VI. Advertising. No advertisements as defined by Section 399B of the Communications Act and Section 73.503 of the FCC's rules, shall be broadcast on the Station.

VII. Defamatory Statements Prohibited. No statements known to be libelous or defamatory may be broadcast on the Station. Libel is a false statement of fact about a person, which tends to injure that person's reputation or otherwise cause injury or damages to that person.

VIII. "Equal Time" For Political Candidates. If a legally qualified candidate for public office is allowed to "use" (as defined in Section 73.1941(b) of the FCC's rules) the Station during his/her campaign, his/her legally qualified opponents must be afforded equal opportunities to appear on the Station.

IX. Sponsorship Identification Announcements. All sponsored programs must (a) contain an announcement stating the fact that the matter broadcast was sponsored, paid for, furnished by, or in support of the Station, and must disclose the true identity of the person or entity on whose behalf payment was made or promised for the broadcast, or (b) otherwise comply with Section 317 of the Communications Act and Section 73.1212 of the FCC's rules. Whenever such a sponsorship identification announcement is required, the announcement must be made both at the beginning and conclusion of each program of over five minutes in length. If a sponsored broadcast is five minutes or less in duration, only one such announcement is required, and it may be made either at the beginning or the conclusion of the broadcast or announcement.