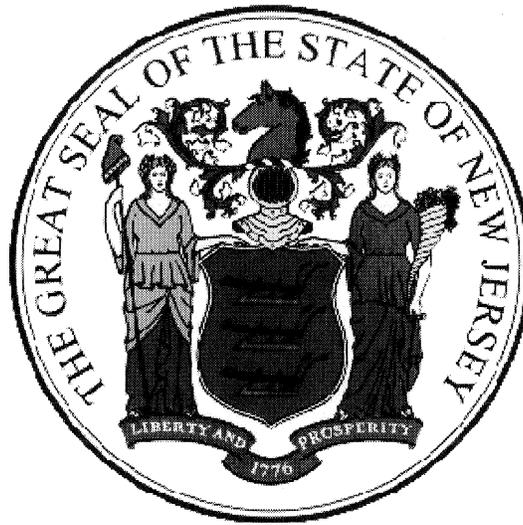


Supporting documentation pursuant to negotiations as prescribed by  
the New Jersey Public Broadcasting System Transfer Act

Request for Proposals

- Sale of NJN radio network



**State of New Jersey  
State Treasurer**

Request for Proposals

For

**Sale of the New Jersey Network (NJN) Radio Broadcast Network**

Issued: February 7, 2011

# Request for Proposals For Sale of the New Jersey Network (NJN) Radio Broadcast Network

## 1.0 PURPOSE AND INTENT

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1.1 This Request for Proposals ("Radio Sale RFP") is being issued by the New Jersey State Treasurer ("State Treasurer") to solicit proposals from qualified entities (hereinafter referred to as "bidder," "vendor," "firm" or "respondent") to acquire all or a portion of the New Jersey Network ("NJN") radio broadcast network (the "NJN Radio Network") which is currently owned and operated by and licensed to the New Jersey Public Broadcasting Authority ("NJPBA"), while at the same time maintaining a New Jersey-focused public broadcasting operation.

1.2 The State Treasurer seeks proposals from potential bidders that will:

(a) Acquire the NJN Radio Network and operate a public media news and information service, including the following NJN Radio Network stations (each, a "Station," collectively, the "Stations"):

- (1) WNJT-FM 88.1 FM, Trenton, New Jersey;
- (2) WNJS-FM 88.1 FM, Berlin, New Jersey;
- (3) WNJM 89.9 FM, Manahawkin, New Jersey;
- (4) WNJO 90.3 FM, Toms River, New Jersey;
- (5) WNJY 89.3 FM, Netcong, New Jersey;
- (6) WNJN-FM 89.7 FM, Atlantic City, New Jersey;
- (7) WNJZ 90.3 FM, Cape May Court House, New Jersey;
- (8) WNJP 88.5 FM, Sussex, New Jersey;
- (9) WNJB-FM 89.3 FM, Bridgeton, New Jersey; and
- (10) New Construction Permit<sup>1</sup>, Bernardsville, New Jersey (upon construction and licensing of the new station).

(b) Retain and/or generate customized New Jersey-centric issue-responsive programming, including news and public affairs programming.

(c) Provide post-employment opportunities, if any, for former staff of the NJPBA.

(d) Demonstrate short- and long-term sustainability.

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<sup>1</sup> This permit is currently tolled due to a pending FCC administrative proceeding and any bid to purchase the Station must be in compliance with Sections 73.7002(c) and 73.7005(b) of the FCC rules. Construction and operation of the Bernardsville station is at the option of the bidder and the State Treasurer expects that all costs of construction, including equipment, would be absorbed by the bidder, subject to applicable FCC requirements.

NOTE: Parties interested in purchasing some but not all of the Stations will be considered but may not be preferred, with the exception of the Bernardsville permit, which may be included or omitted at the bidder's option without prejudice to consideration.

PLEASE ALSO NOTE: The State shall not assume any liability or responsibility for providing a subsidy in any way to the firm(s) selected to acquire the NJN Radio Network pursuant to this RFP for acquisition of the NJN Radio Network, including an operating subsidy or management fee during any short-term operating or management agreement pending closing of the sale of the radio Stations (the "Transaction").

## **2.0 BACKGROUND**

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The NJPBA was created pursuant to the New Jersey Public Broadcasting Authority Act of 1968 (L. 1968, c. 405) by the New Jersey State Legislature (the "State Legislature") in response to the lack of New Jersey public affairs and cultural programming broadcasted by television and radio stations serving the citizens of the State of New Jersey (the "State").

In December 2010, the State Legislature enacted the "New Jersey Public Broadcasting System Transfer Act (L. 2010, c. 104) (the "Transfer Act"). A copy of the Transfer Act is attached hereto as Attachment A. The Transfer Act also provides the State Treasurer with the authorization to sell the NJPBA's Federal Communications Commission ("FCC") radio broadcast licenses, but does not permit the State Treasurer to sell the NJPBA's FCC television broadcast licenses. In addition, the Transfer Act permits the State Treasurer to enter into one or more contracts for the management and operation of the NJN Radio Network and the NJN television broadcast network ("NJN Television Network"). This RFP addresses only the sale of the NJN Radio Network, in whole or in part. Information regarding the opportunity to manage and operate the Stations is found in an accompanying RFP entitled *Request for Proposals for Operation of the New Jersey Network (NJN) Radio Broadcast Network*.

The State Treasurer has begun to implement the Transfer Act, including:

- (a) Compiling an inventory of the NJPBA's assets and liabilities;
- (b) Identifying the methods or mechanisms required to transfer NJPBA assets and liabilities; and
- (c) Receiving and approving proposals for the transfer of any or all of the NJPBA's assets.

The inventory and appraisals of the NJN television and radio stations have been submitted to the Governor of the State and the State Legislature for their information and are attached hereto as Exhibit C and Exhibit D.

The Transfer Act authorizes the State Treasurer to solicit proposals and to negotiate a contract for the sale of the NJN Radio Network, in whole or in part, to a nonprofit corporation

or other entity eligible to operate a public broadcasting system. Pursuant to this RFP, the State Treasurer's office will receive proposals for sale of the NJN Radio Network, in whole or in part, that include proposals for the short-term operation and management of the Stations pending closing of the Transaction.

NOTE: In addition to this Radio Sale RFP, two separate Requests for Proposals will be issued at the same time to the same list of bidders. One Request for Proposals ("Television Operations RFP") asks for proposals for operating and managing the NJN Television Network. The other Request for Proposal ("Radio Operations RFP") asks for proposals for operating the NJN Radio Network. Respondents may respond to this Radio Sale RFP, the Television Operations RFP and the Radio Operations RFP or any combination thereof. One response may be made, provided that the bidder provides all of the information required by each of the RFPs to which the bidder is responding.

The winning bidder(s) of this RFP must be able to enter into and execute a short term operating and management agreement and a definitive asset purchase agreement with the NJPBA (collectively, each, a "Radio Sale Agreement") that includes the Standard Terms and Conditions set forth in Attachment F.

### **3.0 TRANSFER ACT MINIMUM REQUIREMENTS**

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For bidders interested in acquiring the NJN Radio Network, there are certain minimum requirements a prospective bidder must meet as set forth in the Transfer Act:

- a. The bidder must be either (1) a nonprofit corporation, organized as an educational and charitable corporation validly existing and in good standing under the New Jersey Nonprofit Corporation Act (N.J.S.15A:1-1 et seq.) and incorporated, organized and operated in such a manner as to qualify as a nonprofit corporation under section 501 (c)(3) of the Internal Revenue Code (or any successor provision), exempt from taxation under section 501 (a) of the Internal Revenue Code (or any successor provision); or (2) an eligible entity permitted to operate a noncommercial radio station under FCC rules and regulations.
- b. On or before closing, the certificate of incorporation and by-laws of the bidder must authorize the receipt of one or more of the FCC operating licenses currently assigned to the NJPBA and the ownership of the related assets and liabilities and provide that the purposes of the nonprofit corporation include the ownership, maintenance, and operation of a public broadcast system; and
- c. Upon the assignment of any radio operating licenses and the transfer of assets pursuant to the Radio Sale Agreement, the bidder shall provide public broadcasting services and operate a public broadcasting system consistent with all FCC requirements, including the FCC licenses for the Stations.

PLEASE NOTE: The above is not intended as a summary of the entire Transfer Act and bidders should read the copy of the Transfer Act attached hereto as Attachment A to obtain information essential for a complete understanding of the requirements and conditions set forth in the Transfer Act.

#### **4.0 ADVISORS TO THE STATE TREASURER**

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To assist in implementation of the Transfer Act, the State Treasurer has engaged Public Radio Capital to act as a financial advisor through the RFP and negotiation processes authorized by the Transfer Act. Public Radio Capital shall, as financial advisor, be acting as agent for the State Treasurer in distributing this RFP, receiving Proposals, and assisting the State Treasurer in the review and negotiation processes required to effectuate the purposes of the Transfer Act.

The State Treasurer will also be represented in this matter by the State Attorney General and Dow Lohnes, PLLC, which has engaged as special counsel on FCC matters.

#### **5.0 NO REPRESENTATIONS AND WARRANTIES AS TO INFORMATION SET FORTH IN THIS RFP**

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Certain information concerning the NJPBA and the NJN Radio Network has been provided as part of this RFP in Attachment B. However, please note that Attachment B is for the convenience of the bidders only and, except as shall be specifically represented and warranted in the Radio Sale Agreement among the parties, the State Treasurer and/or the NJPBA, in NJPBA's capacity as FCC licensee, do not and will not make any representations or warranties as to these materials, financial information, market shares, potential revenue, competitive factors, costs of operations or any other matters that are forward-looking.

Neither Public Radio Capital, as financial advisor to the State Treasurer, legal counsel, the State Treasurer or the NJPBA represents or warrants the accuracy of this information nor of any estimates contained herein. All documents and estimates should therefore be independently verified and confirmed by potential bidders.

The selected bidder(s) will have an opportunity, and are encouraged, to make an independent evaluation and confirmation of all such matters during a due diligence period which is described in the Letter of Intent attached hereto as Attachment E.

#### **6.0 LETTER OF INTENT**

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Potential bidders should review the attached Letter of Intent in order to understand the scope and provisions of each parties' responsibilities under the Letter of Intent. The selected bidder(s) shall be required to enter into the Letter of Intent upon notice by the State Treasurer

that they have been selected. Bidders should note in their responses any exceptions, objections or additions to the terms of the Letter of Intent.

## **7.0 REQUIRED COMPONENTS OF THE PROPOSAL**

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Each firm submitting a Proposal must follow the instructions contained in this RFP in preparing and submitting its Proposal. The proposing firm is advised to thoroughly read and follow all instructions. A Proposal must contain all of the information in the order and format indicated below. In addition, bidders are directed to review the Standard Terms and Conditions attached hereto as Attachment F for the various State law requirements which the selected bidders will be required to comply with upon entering into the Radio Sale Agreement. Bidders should note in their responses any exceptions, objections or additions to the Standard Terms and Conditions set forth in Attachment F. Bidders may also include any other information, background documents or supporting materials which the bidder would like to provide in their Proposal.

7.1 In lieu of a cover letter, please state the RFP(s) to which you are responding to: e.g., the Radio Sale RFP, the Television Operations RFP, and/or the Radio Operations RFP. Provide an executive summary of not more than one page identifying and substantiating the basis of your contention that your firm is the best qualified to provide the required services or acquire the assets, as may be applicable in the RFPs to which you are responding. The executive summary should reference a total price, including all cash and non-cash consideration to be paid or provided. The executive summary should also indicate your ability to enter into a short-term operating and management agreement on or before June 30, 2011 for the Stations that you are bidding to acquire.

7.2 Provide the name, title, business address, e-mail address, telephone number and fax number of the individual whom the State Treasurer should contact regarding your proposal.

7.3 Provide a brief description of your organization, its structure, and its state/country of incorporation or formation. Describe your firm's physical presence in the State, including the number of offices, number of employees and the type of activity conducted in the State. Also, please describe the participation of women and minorities in your firm and its organizational structure. Please indicate the percentage of your firm's governing board and management that are women and minorities.

7.4 Indicate if you intend to acquire the entire NJN Radio Network or specific Stations. If it is the latter, please list the call letters of the Stations and any suggestions or partnership proposals, etc., related to the acquisition of any remaining Stations that are not included in your proposal. If you intend to purchase fewer Stations than the entire NJN Radio Network, your responses below should be based upon that intention and reflect only the Stations that you intend to acquire.

7.5 Provide supporting documentation that qualifies you as a licensee of a public media news and information network including:

- (a) The entity or entities that would be the party to any Radio Sale Agreement and would acquire the NJN Radio Network, in whole or in part;
- (b) The ability, capacity, or authority of your entity to operate FCC licensed radio stations, including but not limited to, documentation of authorization to operate FCC licensed radio stations;
- (c) Certification of or proof that your entity is either qualified or can meet the qualification criteria for Corporation for Public Broadcasting financial support ([http://www.cpb.org/stations/grants/radio/generalprovisions/cpb\\_11RadioCSG\\_GeneralProvisions.pdf](http://www.cpb.org/stations/grants/radio/generalprovisions/cpb_11RadioCSG_GeneralProvisions.pdf));
- (d) 501(c)3 incorporation documentation and bylaws; or other demonstration of qualifications as a nonprofit educational corporation, as applicable, or a demonstration of intent to qualify with a plan and timeline for doing so;
- (e) Documentation of your entity's Board or Executive Committee support for your proposal to acquire the NJN Radio Network;
- (f) Existing public broadcast service description/profile/mission (if any); and
- (g) Annual budgets, prior three years audited financial reports and any other organizational materials you would like to provide.

7.6 Include the total value of all consideration to be paid to the State Treasurer under the proposed Radio Sale Agreement. Such consideration may include, without limitation:

- (a) Cash consideration in a lump sum or on an annual basis;
- (b) For the duration of the short-term management and operating agreement, reimbursement of any or all direct or indirect operating costs for Stations that you are bidding to acquire, including, without limitation, utilities, tower rent, insurance, and other costs, consistent with FCC requirements for agreements to manage and operate noncommercial educational broadcast stations,
- (c) Any other consideration, including in-kind consideration.

7.7 Include documentation that shows your entity's financial capacity to acquire the NJN Radio Network, in whole or in part, as follows:

(a) If the offer submitted is a cash offer, please provide evidence of the source of the cash.

(b) Any intention to pursue financing/loans/or other funds, including:

- (1) Information on your expected sources;
- (2) Information regarding reserves;
- (3) Existing financing; and
- (4) Lines of Credit or other new financing needs.

(c) Any other information on your entity's financial capacity to acquire the Stations which you would like to provide in your Proposal.

7.8 Describe your programming and operating plans for the Stations, including, but not limited to:

(a) Describe programming plans, with particular emphasis on issue-responsive programming, news and public affairs programming and New Jersey centric programming.

(b) Describe your plans with respect to maintaining a local studio presence, including any plans for use of the NJN Radio Network studios;

(c) Online and mobile applications.

7.9 Proposed staff lists and an organizational chart.

(a) Staffing plan for operating all or a part of the NJN Radio Network; and

(b) Proposed plans, if any, for offering post-employment opportunities to former staff of the NJPBA.

7.10 Explain your plans for the operation of the Stations prior to the FCC's grant of the assignment of the license under a short-term management and operating agreement, consistent with FCC requirements for noncommercial educational radio stations. Under the agreement, the NJPBA would remain as the licensee during the period of the FCC's consideration of the license assignment application, but the management and operation of the station would be assumed by the buyer under a short-term management and operating agreement, consistent with FCC requirements. Under the terms of this type of agreement as the programmer/operator you would be responsible for the day to day operations, production and programming assets and related liabilities for the Stations consistent with FCC requirements. Provide the time frame that you would need to assume day-to-day operating responsibility for the Stations.

7.11 Address your motivation, interest and/or intention for acquiring the NJN Radio Network.

7.12 Describe any partnerships, new entities, new corporations, operating contracts or other arrangements or agreements you will undertake in connection with the acquisition of the NJN Radio Network.

7.13 Provide any additional information you believe is important for the consideration of your Proposal.

## **8.0 SUBMISSION OF PROPOSALS**

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Communications with representatives of the State Treasurer, the NJPBA or Public Capital Radio by your firm or your firm's representatives concerning this RFP is NOT permitted during the term of the submission and evaluation process except as specified below. Communications regarding this RFP in any manner (except as set forth below) will result in the immediate rejection of your firm's Proposal. If you have questions or require clarification on any aspect of this RFP, please forward the request via e-mail to: [pba@treas.state.nj.us](mailto:pba@treas.state.nj.us)

Questions will be accepted via email only until 5:00 p.m. Eastern Time on February 17, 2011. Questions should be directly relevant to the RFP to which the bidder is responding and the bidder should so indicate in the question. Questions should be asked in consecutive order, from beginning to end, following the organization of the RFP to which the bidder is responding. Each question should begin by referencing the RFP, the RFP page number and the section number to which it relates. The State will post answers on the State Treasury website at <http://www.nj.gov/treasury/administration/pba/> on or before 5:00 p.m., Eastern Time on February 24, 2011.

The State Treasurer reserves the right to hold oral interviews with any or all of the firms submitting Proposals. Such oral interviews, if any, will in no way change the original proposal. If oral interviews are to be held with any or all of the firms submitting Proposals, the State Treasurer will notify such firms in a reasonable amount of time prior to such oral interview.

The State Treasurer will not be responsible for any expenses in the preparation and/or presentation of the Proposals and oral interviews, if any, or for the disclosure of any information or material received in connection with this solicitation, whether by negligence or otherwise.

The State Treasurer reserves the right to request additional information or clarification if necessary or to reject any and all Proposals with or without cause, and waive any irregularities or informalities in the Proposals submitted. The State Treasurer further reserves the right to make such investigations as he deems necessary as to the qualifications of any and all firms submitting Proposals. In the event that all Proposals are rejected, the State Treasurer

reserves the right to re-solicit Proposals. The State Treasurer reserves the right, in his sole and absolute discretion, to negotiate with responding firms as determined by the State Treasurer to be in the best interests of the State.

Responding firms may withdraw their Proposals at any time prior to the final filing date and time, as indicated below, by written notification signed by an authorized agent of the firm(s). Proposals may thereafter be resubmitted, but only up to the final filing date and time.

The responding firm assumes the sole responsibility for the complete effort required in this RFP. No special consideration shall be given after the Proposals are opened because of a firm's failure to be knowledgeable about all requirements of this RFP. By submitting a Proposal in response to this RFP, the firm represents that it has satisfied itself, from its own investigation, of all of the requirements of this RFP.

Documents and information submitted in response to this RFP shall become property of the State Treasurer and generally shall be available to the general public as required by applicable law, including the New Jersey Open Public Records Act, N.J.S.A. 47:1 A-1 et seq. This is the case notwithstanding any statement to the contrary made by a vendor in its proposal.

**Proposals must be submitted by email in a MS-Word format attachment. The body of the email should include the following:**

Respondent's Name  
Organization's Name  
Street Address or P.O. Box Number  
City, State, Zip Code  
RE: NJN Radio Network Sale RFP

In order to be considered for selection, the Proposal must be received by Public Radio Capital, as financial advisor to the State Treasurer, and by the State Treasurer at the following addresses:

For the State Treasurer:

[Steven.Petrecca@treas.state.nj.us](mailto:Steven.Petrecca@treas.state.nj.us)

For Public Radio Capital:

[dlopez@publicradiocapital.org](mailto:dlopez@publicradiocapital.org)

**Proposals must be received by March 11, 2011, no later than 5:00 p.m., Eastern Time.**

No faxed or hard copy Proposals will be accepted. **Proposals received after the time and date listed above will not be considered.**

## **9.0 TIMELINE**

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The time line set forth in this Section 9.0 is an estimate except for the dates indicated for the release of the RFP, the receipt of questions, the posting of answers, and the submission of the Initial Proposal. All other dates may change in the sole discretion of the State Treasurer as determined to be in the best interests of the State.

- February 7, 2011: Radio Sale RFP is released.
- February 17, 2011: All questions on the Radio Sale RFP are due by 5:00 pm Eastern Time.
- February 24, 2011: Answers to questions posted on the State Treasury website.
- March 11, 2011: Initial Radio Sale Proposals Due.
- March 25, 2011: Initial Radio Sale Proposals analyzed by PRC and legal counsel and evaluated by State Advisory Committee. Recommendations for selection of first tier of bidders made by State Advisory Committee to State Treasurer.
- April 8, 2011: Completion of negotiation with first tier of bidders by State Treasurer.
- April 15, 2011: Final Radio Sale Proposals Due.
- June 30, 2011: Final Day for Execution of Radio Sale Agreement.
- July 1, 2011: Winning bidders assume short-term operation and management of Stations pursuant to executed Radio Sale Agreements, pending receipt of FCC approvals for assignment of Station licenses to bidders.

## **10.0 SELECTION PROCESS**

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10.1 All Initial Proposals will be reviewed to determine responsiveness. Non-responsive Initial Proposals will be rejected without evaluation.

10.2 Responsive Initial Proposals will be reviewed by Public Radio Capital and legal counsel. Public Radio Capital and legal counsel will provide their analyses to the State Advisory

Committee. The State Advisory Committee will review the Initial Proposals pursuant to the criteria specified below and will review Public Radio Capital's and legal counsel's analyses.

10.3 Proposals will be reviewed and scored pursuant to the selection criteria set forth below in Section 10.4. The State Advisory Committee will be composed of staff members of the State. In addition to Public Radio Capital and legal counsel, the State Advisory Committee may choose to make use of the expertise of other outside consultants, if necessary.

10.4 Selection criteria will be based on price, ability to enter into a short-term operation and management agreement for the Stations (effective no later than July 1, 2011) and other factors, which may include, but not be limited, to:

- (a) Public media operation, programming and distribution expertise;
- (b) Adherence to the criteria and goals included in the Transfer Act;
- (c) Demonstration of credible service and business models;
- (d) Demonstrable interest on the part of the respondent's governance board;
- (e) Willingness to act quickly and be responsive, flexible and creative in negotiations and agreement drafting;
- (f) Demonstration of actionable, innovative solutions;
- (g) Solutions for the acquisition of the entire NJN Radio Network or for portions of the NJN Radio Network, while providing solutions for the remainder of the NJN Radio Network;
- (h) Quality of the overall response; and
- (i) Programming solutions that offer New Jersey - centric public radio news and information programming.

10.5 The State Advisory Committee will make its recommendation to the State Treasurer of the first tier of bidders based upon the process set forth above. The State Treasurer will review the recommendations, make any additional inquiries, request clarification and obtain such further information as he deems necessary.

10.6 Final Proposals will then be solicited. The Final Proposals will be analyzed by PRC and legal counsel and evaluated by the State Advisory Committee which shall make its recommendations to the State Treasurer.

10.7 The review of the Initial and Final Proposals will be based upon the information provided to the State Treasurer in response to this RFP and any necessary verification of such information provided thereof. The award shall be made by written notice to that responsible bidder(s) whose Final Proposal(s), conforming to the RFP, will be the most advantageous to the State, as determined by the State Treasurer in his sole and absolute discretion. The State Treasurer reserves the right to negotiate and/or request best and final offers from the selected bidder(s), as the State Treasurer may deem appropriate in his sole and absolute discretion.

10.8 Notwithstanding anything herein to the contrary, the State Treasurer has no obligation to make an award and he expressly reserves the right, in his sole and absolute discretion, to modify, alter, or waive any provisions or informalities of this RFP and to reject any submission

which, in the State Treasurer’s sole judgment, is not in compliance with the terms of the RFP or any part thereof, or which is deemed by the State Treasurer to be in the best interest of the State.

10.9 The State Treasurer reserves the right to proceed or not to proceed with this RFP, based solely on the determination of the State Treasurer or to terminate the selection process at any time.

10.10 Upon selection, the State Treasurer shall negotiate the Letter of Intent with the selected bidder(s) which Letters of Intent shall then be executed.

10.11 Upon execution of the Letter(s) of Intent, the selected bidder(s) shall be authorized to conduct due diligence during which they can inspect the facilities and have questions addressed which arise during such due diligence period. During this same period, the terms of a potential sale will be determined through the negotiation of a Radio Sale Agreement(s) between the State Treasurer and the bidder(s) selected by the State Treasurer.

10.12 Upon completion of negotiation of the Radio Sale Agreement(s), they shall be submitted to the State Legislature as required by the Transfer Act.

10.13 Upon the expiration of the review period for the State Legislature as required by the Transfer Act, assuming that the State Legislature does not disapprove the Radio Sale Agreement(s) during such period, the closing process shall be undertaken.

10.14 The sale of the Stations will be contingent upon all required approvals, including, but not limited to, approval by the Federal Communications Commission and the approval of the State Treasurer.

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**ATTACHMENT A:  
COPY OF THE NEW JERSEY PUBLIC BROADCASTING SYSTEM TRANSFER  
ACT**

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Available electronically at: <http://www.nj.gov/treasury/administration/pba/>

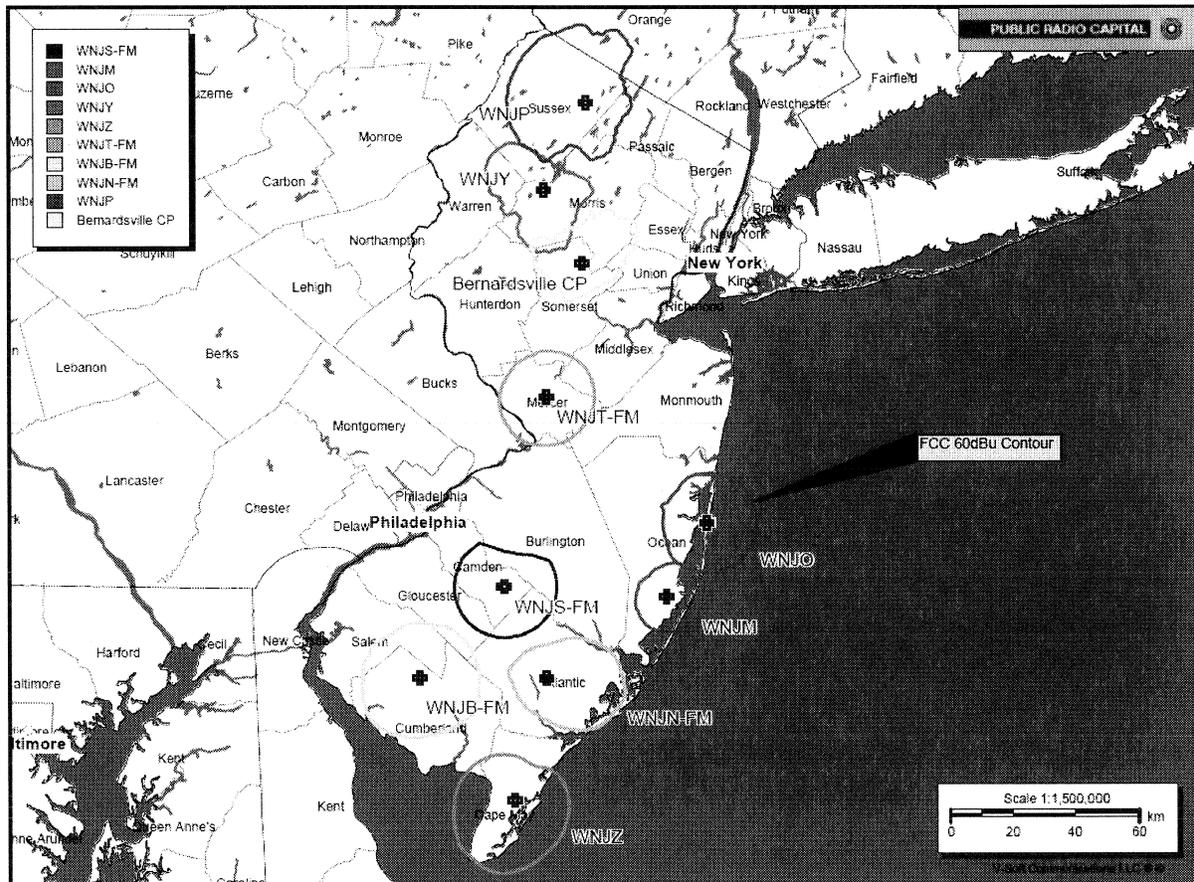
**ATTACHMENT B:  
INFORMATION ON THE NJN RADIO NETWORK**

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## SUMMARY OF KEY ASPECTS

- Currently, the NJPBA owns and operates nine noncommercial educational radio stations: WNJT-FM, WNJS-FM, WNJM, WNJO, WNJY, WNJN-FM, WNJZ, WNJP and WNJB-FM. In addition, NJPBA holds one unbuilt construction permit licensed to Bernardsville, New Jersey. The following map shows the coverage area of the NJN Radio Network.



- From a demographic and economic perspective, the state of New Jersey offers a unique opportunity for public broadcasters. In comparison with the rest of the USA, New Jersey's population is somewhat better educated (34% with a Bachelor's Degree or higher, vs. 27.4% nationwide); wealthier (median household income of \$69K vs. \$51K nationwide); more diverse (70% of whites, vs. 74.5% nationwide)--with a slightly older population (median age of 38, vs. 37 nationwide).<sup>2</sup>
- The state of New Jersey encompasses six Arbitron rated markets. These markets and

<sup>2</sup> [http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=Search&\\_state=04000US34&\\_lang=en&\\_sse=on](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=Search&_state=04000US34&_lang=en&_sse=on)

their rankings<sup>3</sup> (as of January 20, 2011) are as follows:

- Atlantic City-Cape May, NJ (market 142)
  - Middlesex-Somerset-Union, NJ (market 40)
  - Monmouth-Ocean, NJ (market 51)
  - Morristown, NJ (market 116)
  - Sussex, NJ (market 247)
  - Trenton, NJ (market 143)
- NJN Radio Network airs a News/Talk/Info format with primarily National Public Radio (NPR) programming. The NJN Radio Network carries such syndicated programs as Morning Edition, Weekend Edition, The Diane Rehm Show, Talk of the Nation, All Things Considered, Car Talk, and BBC Newshour along with unique programs such as NJN News, State of the Arts, and Straight Talk.
  - The NJN Radio Network reaches a large audience base with a CUME of 46,600 people in the Spring 2010 Arbitron survey. Within the network, WNJP-FM reaches the largest audience with a CUME of 11,300 people.
  - Over the past five years, the NJN Radio Network has had an average of 24 underwriters and approximately \$140,000 in underwriting income. For the same period, membership income has ranged between \$56,000 (FY2009) and \$110,000 (FY2006)

## STATION DETAILS

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Currently, the NJPBA owns and operates nine noncommercial educational radio stations: WNJT-FM, WNJS, WNJM, WNJO, WNJY, WNJN-FM, WNJZ, WNJP and WNJB-FM. In addition, NJPBA holds one unbuilt construction permit licensed to Bernardsville, New Jersey. These stations currently air primarily a news and information format with jazz music overnight (see "Programming Details" for more information).

### WNJT-FM

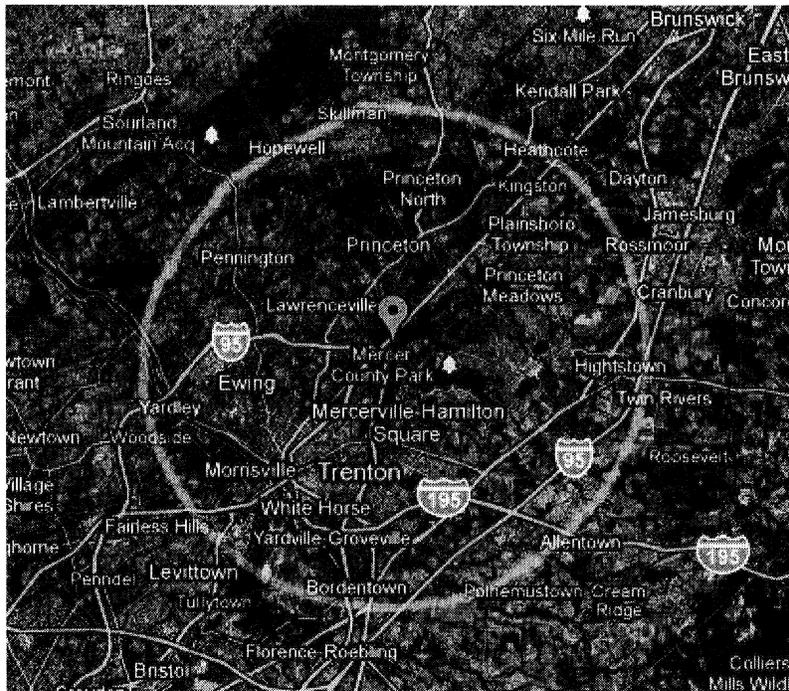
#### Technical/Engineering Overview

WNJT-FM is a Class A radio station licensed to Trenton, New Jersey. WNJT-FM operates with an ERP of 110 watts vertically-polarized, at a HAAT of 689 feet, on an assigned frequency of 88.1 MHz. The station is listed in the Trenton, NJ market (ranked 143<sup>rd</sup> by Arbitron) and serves 428,571 people within the 60dBu contour.

Coverage Map: 60dBu service contour

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<sup>3</sup> The higher the market rank the smaller the population coverage is. There are approximately 300 Arbitron rated markets.



Source: <http://www.fcc.gov/fcc-bin/fmq?list=o&facid=48488>

#### FCC Filings

*Renewal:* Renewal of License, BRED-20060201ATB, was granted on 6/22/2006 for a term expiring on 6/01/2014.

Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1106646.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106646.pdf)

#### **WNJS-FM**

##### Technical/Engineering Overview

WNJS-FM is a Class A radio station allotted to Berlin, New Jersey. WNJS-FM operates with an effective radiated power (ERP) of 80 watts vertically-polarized, and one watt horizontally-polarized, at a height above average terrain (HAAT) of 942 feet, on an assigned frequency of 88.1 megahertz (MHz). The station is listed in the Philadelphia, PA radio market (ranked 8<sup>th</sup> by Arbitron) and serves 47,570 people within the 60dBu contour<sup>4</sup>.

Coverage Map: 60dBu service contour

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<sup>4</sup> Provided by BIA/Kelsey based upon the FCC service contour and 2000 US Census data.



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48486>

#### FCC Filings

*Renewal:* Renewal of license, BRED-20060201ASU, was granted on 05/26/2006 for a term expiring on 06/01/2014.

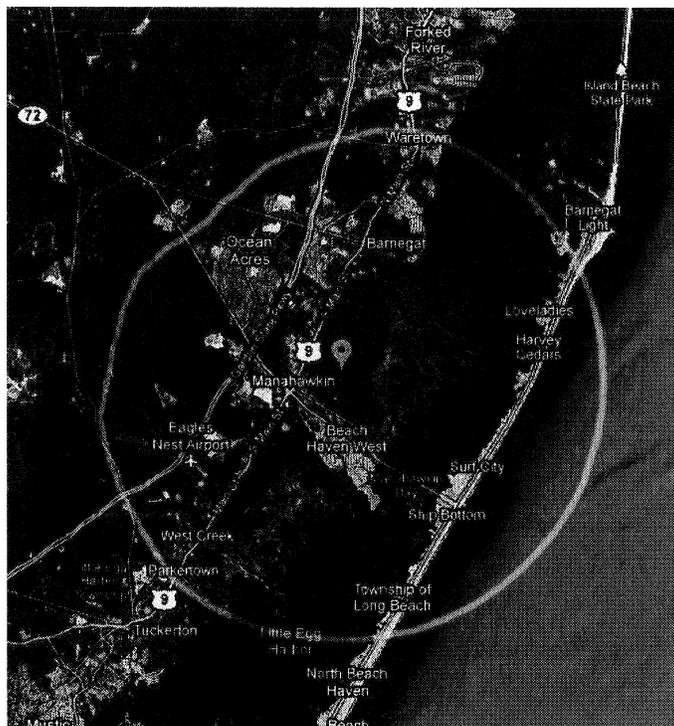
Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1106645.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106645.pdf)

#### **WNJM**

##### Technical/Engineering Overview

WNJM-FM is a Class A FM radio station licensed to Manahawkin, New Jersey. WNJM-FM operates with an ERP of 200 watts vertically-polarized, one watt horizontally-polarized, at a HAAT of 259 feet, on an assigned frequency of 89.9 MHz. The station is listed in the Monmouth-Ocean, NJ market (ranked 51<sup>st</sup> by Arbitron) and serves 48,509 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48460>

#### FCC Filings

*Renewal:* Renewal of License, BRED-20060201ASG, was granted on 05/26/2006 for a term expiring on 06/01/2014.

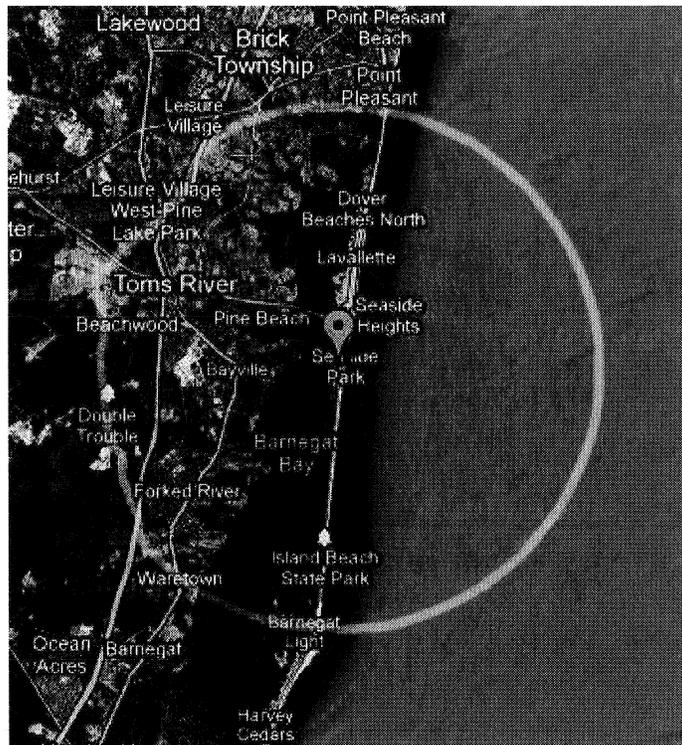
Source: [http://licensing.fcc.gov/prod/cdb/pubacc/Auth\\_Files/1106627.pdf](http://licensing.fcc.gov/prod/cdb/pubacc/Auth_Files/1106627.pdf)

#### **WNJO**

##### Technical/Engineering Overview

WNJO-FM is a Class A FM radio station licensed to Toms River, New Jersey. WNJO-FM operates with an ERP of four kilowatts (kW) vertically-polarized, one watt horizontally-polarized, at a HAAT of 121 feet, on an assigned frequency of 90.3 MHz. The station is listed in the Monmouth-Ocean, NJ market (ranked 51<sup>st</sup> by Arbitron) and serves 166,526 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=123020>

#### FCC Filings

*License to cover:* License to cover, BLED-20080821ADE, was granted on 4/30/2009 for a term expiring on 6/01/2014.

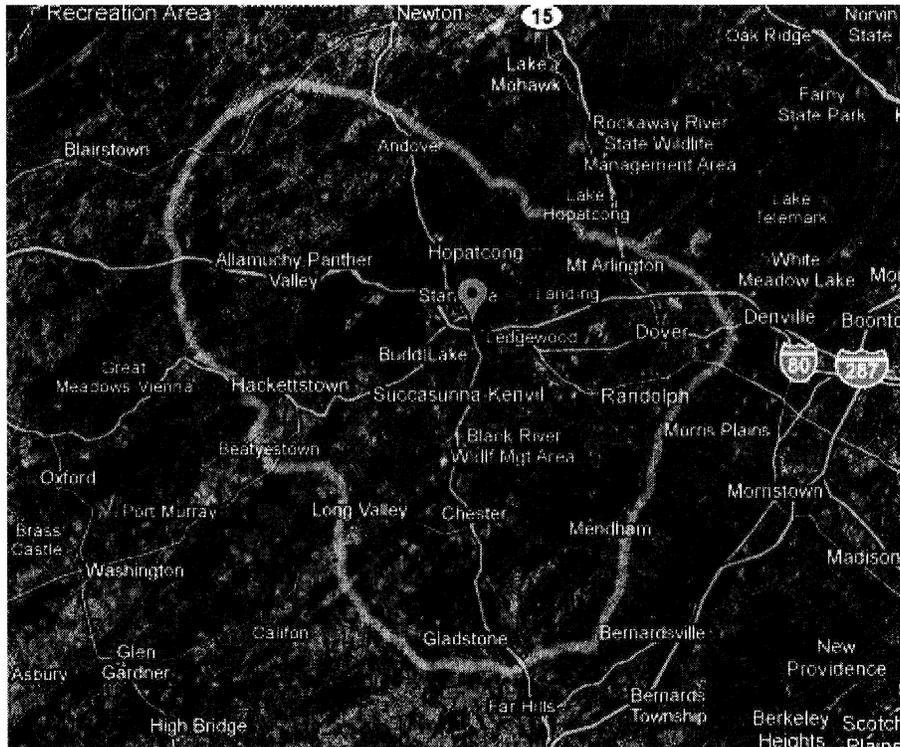
Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1262155.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1262155.pdf)

### **WNJY**

#### Technical/Engineering Overview

WNJY-FM is a Class A FM radio station licensed to Netcong, New Jersey. WNJY-FM operates with an ERP of 520 watts vertically-polarized and one watt horizontally-polarized, at a HAAT of 430 feet, on an assigned frequency of 89.3 MHz. The station is listed in the Morristown, NJ market (ranked 116<sup>th</sup> by Arbitron) and serves 195,173 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=93964>

#### FCC Filings

*License to cover:* License to cover, BLED-20080707AEO, was granted on 7/30/2008 for a term expiring on 6/01/2014.

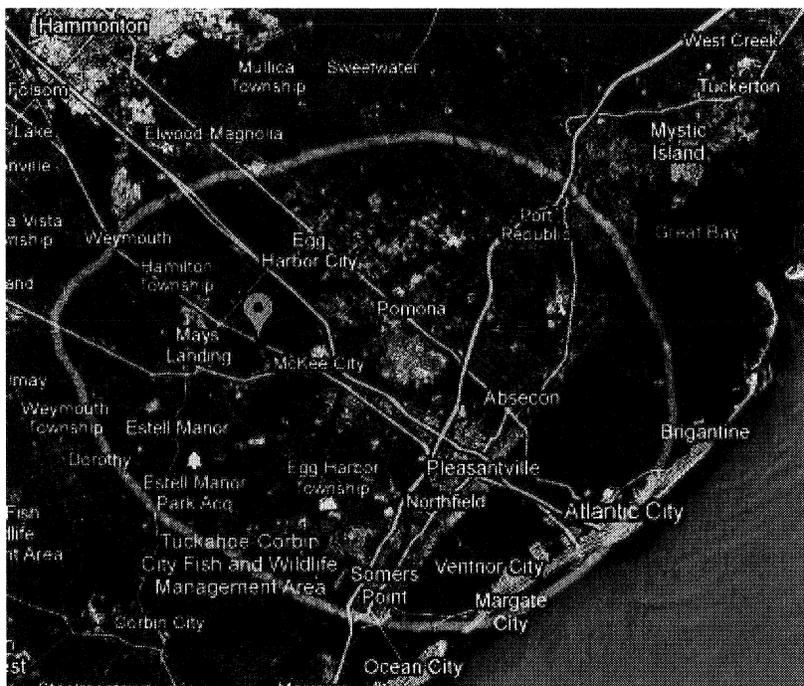
Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1253902.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1253902.pdf)

#### **WNJN-FM**

##### Technical/Engineering Overview

WNJN-FM is a Class A radio station licensed to Atlantic City, New Jersey. WNJN-FM operates with an ERP of 6.0 kW vertically-polarized, 25 watts horizontally-polarized, at a HAAT of 276 feet, on an assigned frequency of 89.7 MHz. The station is listed in the Atlantic City-Cape May, NJ market (ranked 142<sup>nd</sup> by Arbitron) and serves 189,140 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48483>

#### FCC Filings

*Renewal:* Renewal of License, BRED-20060201ASK, was granted on 6/22/2006 for a term expiring on 6/01/2014.

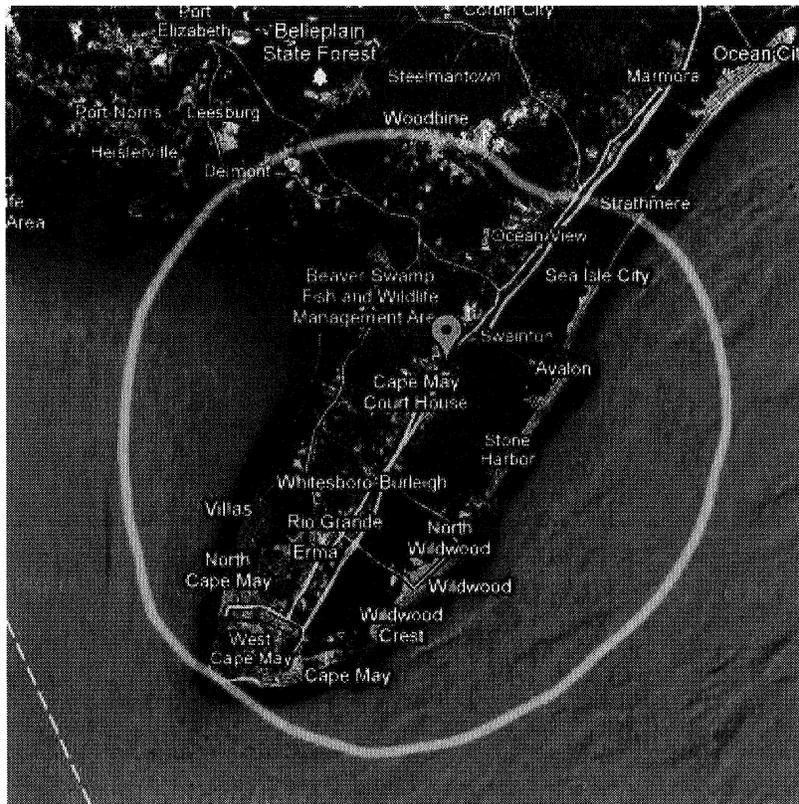
Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1106629.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106629.pdf)

#### **WNJZ**

##### Technical/Engineering Overview

WNJZ-FM is a Class A FM radio station licensed to Cape May Court House, New Jersey. WNJZ-FM operates with an ERP of 6.0 kW circularly-polarized, at a HAAT of 236 feet, on an assigned frequency of 90.3 MHz. The station is listed in the Atlantic City-Cape May, NJ market (ranked 142<sup>nd</sup> by Arbitron) and serves 73,721 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48464>

#### FCC Filings

*Renewal:* Renewal of License, BRED-20060201ATD, was granted on 5/26/2006 for a term expiring on 6/01/2014.

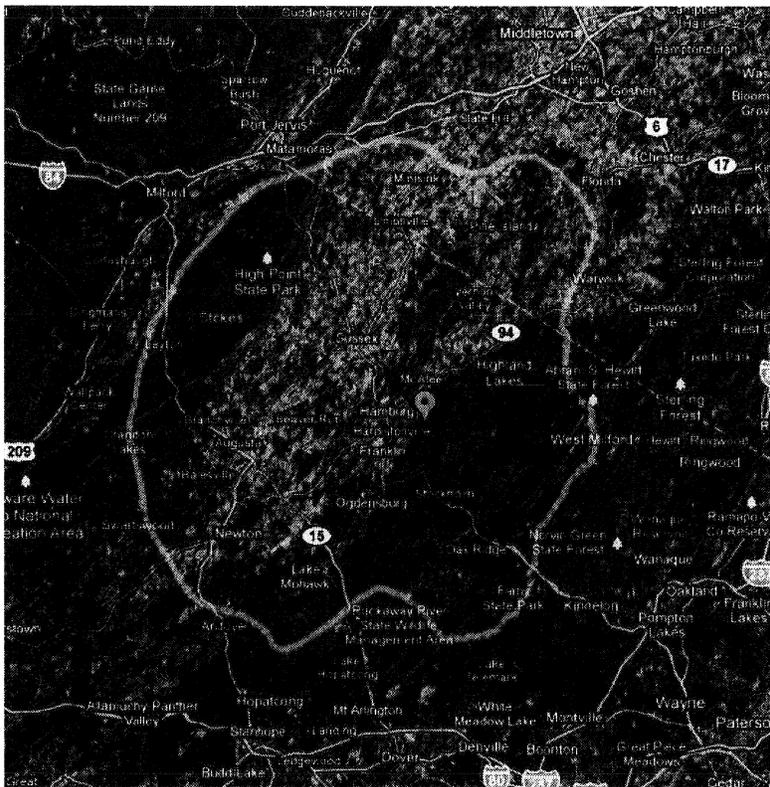
Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1106647.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106647.pdf)

#### **WNJP**

##### Technical/Engineering Overview

WNJP-FM is a Class A FM radio station licensed to Sussex, New Jersey. WNJP-FM operates with an ERP of 450 watts circularly-polarized, at a HAAT of 637 feet on an assigned frequency of 88.5 MHz. The station is listed in the Sussex, NJ market (ranked 247<sup>th</sup> by Arbitron) and serves 135,585 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48471>

### FCC Filings

*Renewal:* Renewal of License, BRED-20060201ASS, was granted on 5/26/2006 for a term expiring on 6/01/2014.

Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1106637.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106637.pdf)

### **WNJB-FM**

#### Technical/Engineering Overview

WNJB-FM is a Class A radio station licensed to Bridgeton, New Jersey (non-rated market). WNJB-FM operates with an ERP of 2.5 kW vertically-polarized and one watt horizontally-polarized, at a HAAT of 220 feet on an assigned frequency of 89.3 MHz. The station serves 157,668 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48934>

#### FCC Filings

*Renewal:* Renewal of License, BRED-20060201ASE, was granted on 6/22/2006 for a term expiring on 6/01/2014.

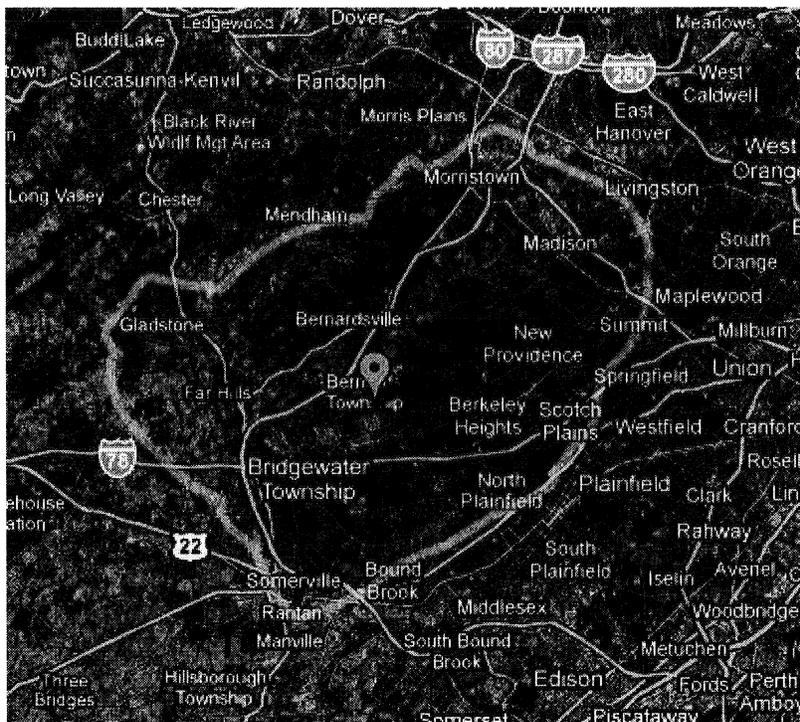
Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1106626.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106626.pdf)

#### **Bernardsville, NJ Construction Permit**

##### Technical/Engineering Overview

The CP is a Class A radio station to be located in Bernardsville, New Jersey. The CP will operate with an ERP of 1.9 kW, at a HAAT of 259 feet on an assigned frequency of 88.9 MHz. The station will be listed in the Middlesex-Somerset-Union, NJ market (ranked 40<sup>th</sup> by Arbitron) and will serve 232,236 people within the 60dBu predicted contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=93886>

#### FCC Filings

*Original Construction Permit:* Construction permit, BPED-19990716MB, was granted on 2/27/2009 for a term expiring on 2/27/2012, but the construction permit has been tolled pending the outcome of an FCC administrative proceeding. In addition, the construction permit has a special operating condition requiring compliance with Sections 73.7002(c) and 73.7005(b) of the FCC rules.

Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1042222.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1042222.pdf)

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## NEW JERSEY ECONOMIC AND DEMOGRAPHIC DATA

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New Jersey is the second wealthiest U.S. state with a per-capita income of \$50,009 in 2009. This is 26 percent higher than the national average of \$39,626. As the eleventh most populous state, New Jersey has a population of 8,791,894 according to the 2010 census. New Jersey's GDP in 2009 was \$483.0 billion, ranked seventh in the U.S, according to the Bureau of Economic Analysis.

New Jersey's economy is centered on the pharmaceutical industry, chemical development, telecommunications, health care and finance. The State is home to major pharmaceutical firms such as Johnson and Johnson, Sanofi-Aventis, Novartis, Pfizer, Wyeth, Hoffman-LaRoche, Bristol-Myers-Squibb, and Schering-Plough. New Jersey also hosts the headquarters of major telecommunications firms such as Verizon Wireless, Avaya, Alcatel-Lucent and AT&T Communications.

Approximately 65% of New Jersey's adult residents are in the workforce (approximately 4.5 million people), of which a little more than 4.0 million are employed. A substantial number of New Jersey residents work in either New York or Philadelphia. As of December 2010, the unemployment rate is 9.1 percent. New Jersey's jobless rate may decline to an average of 8.7 percent this year according to forecasts by the State's treasury department<sup>5</sup>.

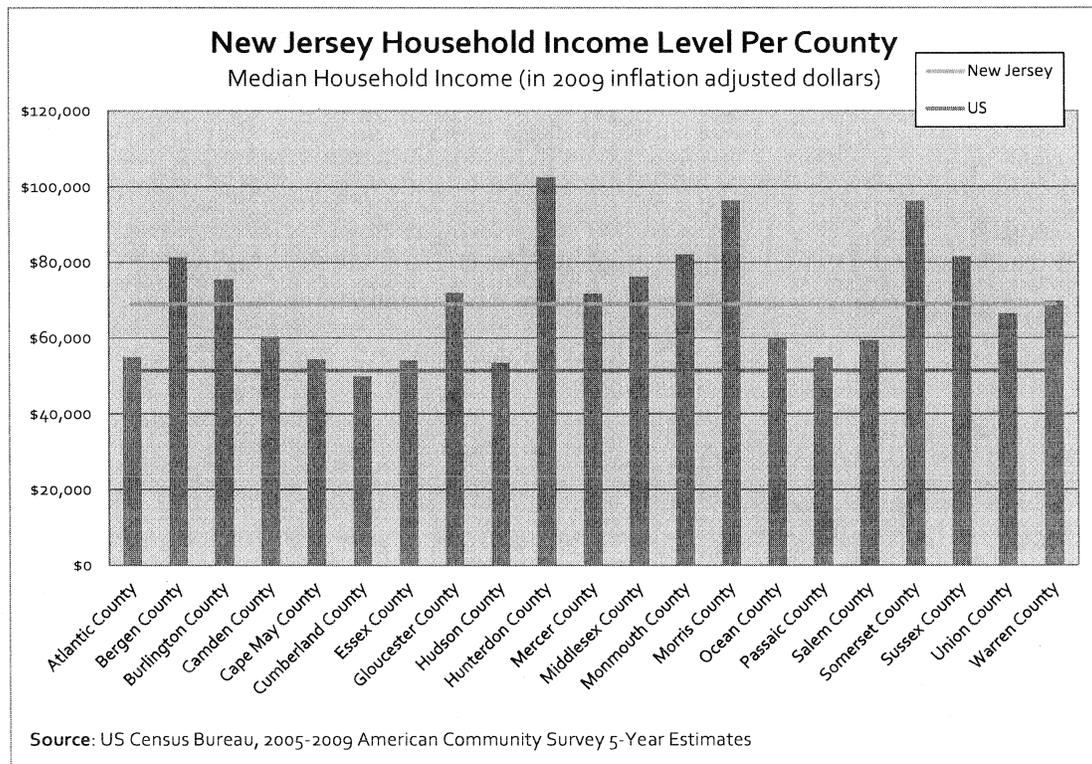
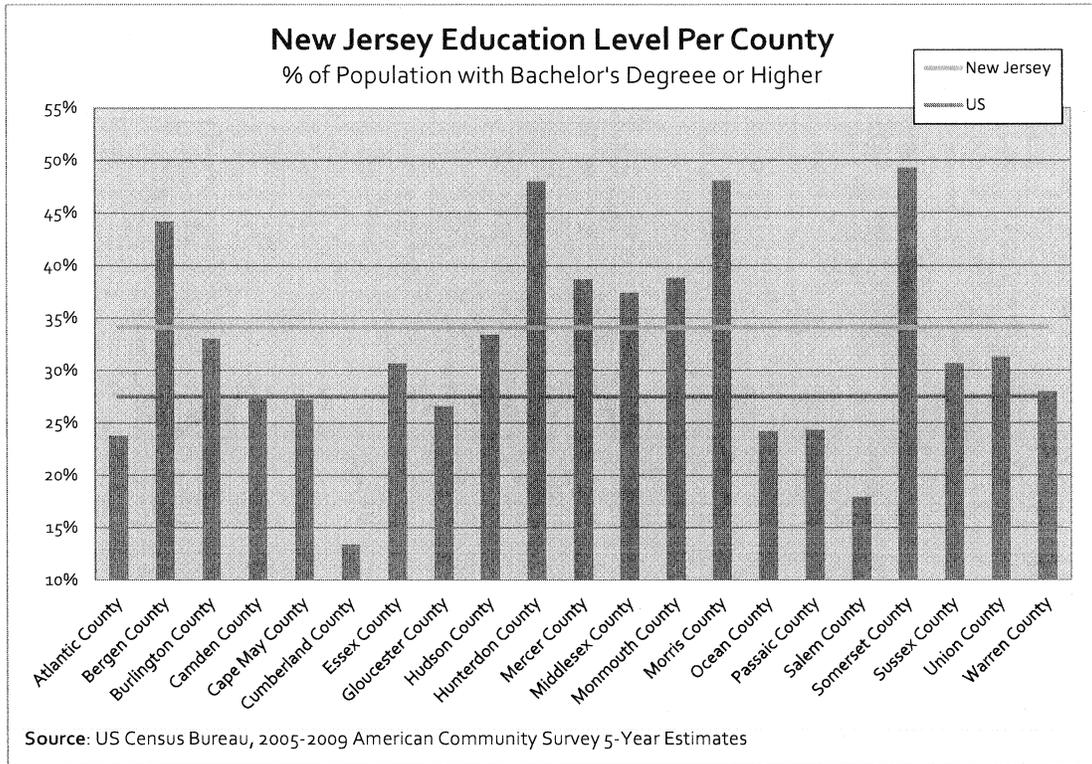
The people of New Jersey are well served by all sorts of media, educational, and cultural activities. Most households receive more than 100 cable (or satellite) TV channels, and dozens of radio stations. At 69%, NJ's broadband access is among the highest in the nation (USA average: 63%), and New Jersey's popular nj.com website—a joint venture of the *Star-Ledger* and eleven other New Jersey newspapers—is visited by more than 2.5 million unique visitors monthly—equal to nearly half of all New Jersey adults. Dozens of daily newspapers available, some published in New Jersey, some published in adjacent states. New Jersey has an abundance of public libraries, educational institutions, museums, arts organizations, and more. In comparison with the rest of the USA, New Jersey's population is somewhat better educated (34% with a Bachelor's Degree or higher, vs. 27.4% nationwide); wealthier (median household income of \$69,000 vs. \$51,000 nationwide); more diverse (70% of whites, vs. 74.5% nationwide)—with a slightly older population (median age of 38, vs. 37 nationwide).<sup>6</sup>

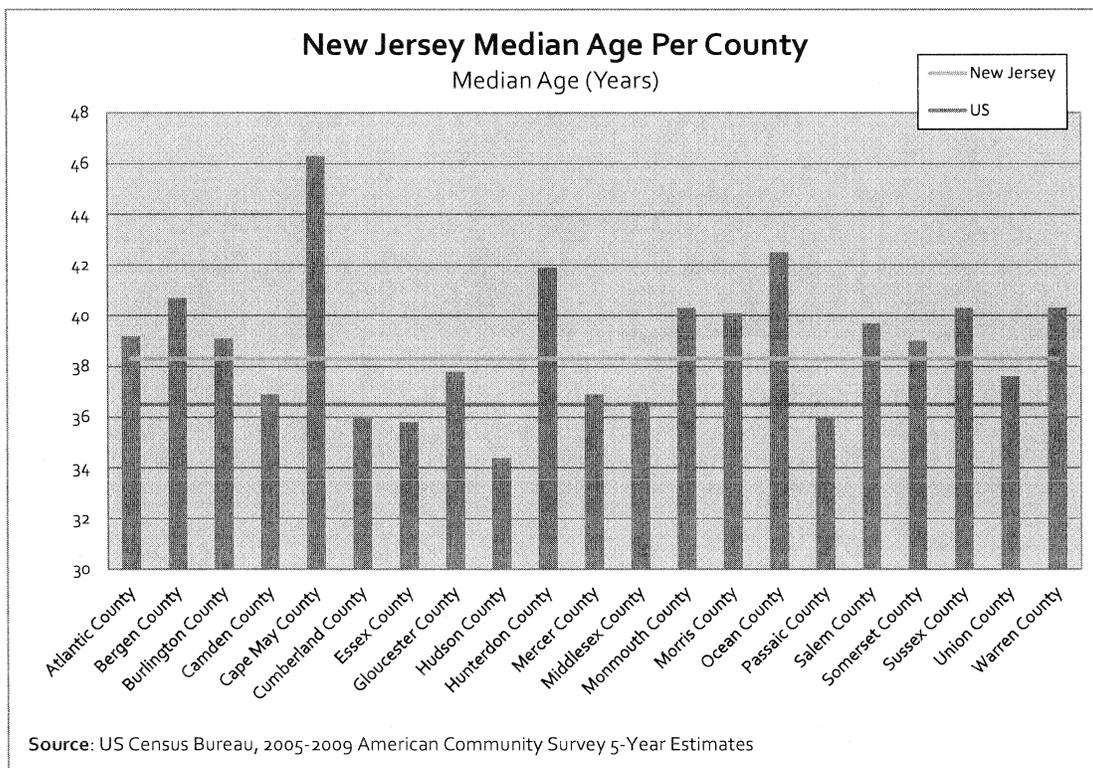
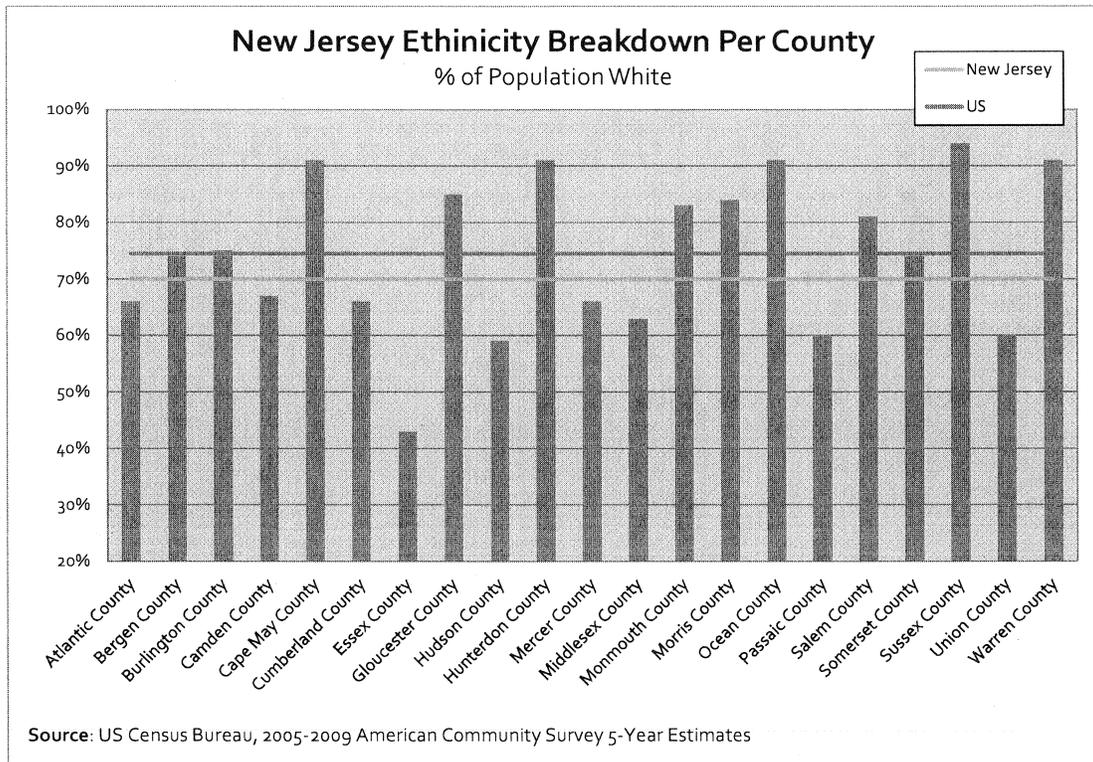
The following charts illustrate a demographic breakdown of the 21 counties in New Jersey, along with the state and the US averages.

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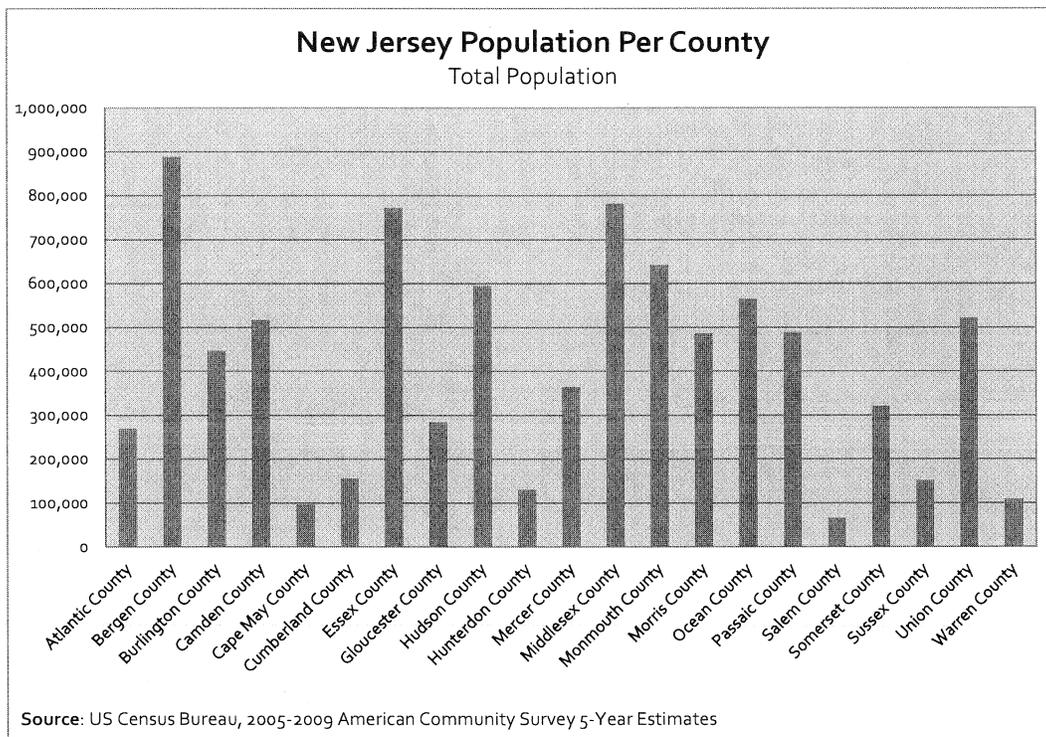
<sup>5</sup> Bloomberg Business Week January 19, 2011

<sup>6</sup> [http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=Search&\\_state=04000US34&\\_lang=en&\\_sse=on](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=Search&_state=04000US34&_lang=en&_sse=on)





The following shows the population breakdown of New Jersey by county. The top three most populated counties include Bergen County, Middlesex County and Essex County.



## NEW JERSEY RADIO MARKET DATA

### NEW JERSEY STATION INVENTORY

As of January 20, 2011, there are a total of 153 AM and FM stations that are licensed to the State of New Jersey. These stations are owned by 83 different broadcasters. The following table shows the main group owners (excluding translators and multicast signals, including construction permits that are not on the air) in the state:

Licensee Name	Number of Stations Owned in New Jersey
<b>New Jersey Public Broadcasting Authority</b>	<b>10</b>
Millennium Radio Group LLC	10
Equity Communications LP	9
Greater Media Inc	7
Atlantic Broadcasting of Linwood NJ LLC	6
MultiCultural Broadcasting	6
Press Communications LLC	6

New Jersey's station inventory includes 40 AM, 106 full-power FM and seven lower-power FM stations and nine construction permits (not on the air). In addition, there are 32 FM translator stations licensed in the state. Of the 106 full-power FM stations, only ten have HD multicast channels.

Of the 153 stations (excluding translators and multicast channels), 71 are noncommercial and 82 are commercial. Among the noncommercial stations licensed in New Jersey, 46 are owned by 36 different public/community (non-religious) groups. Other than NJPBA, the only other community/public (non-religious) group owner is Mercer County Community College with three FM stations that air a classical music format.

The State of New Jersey encompasses six Arbitron rated markets. These markets and their rankings<sup>7</sup> (as of January 20, 2011) are as follows:

- Atlantic City-Cape May, NJ (market 142)
- Middlesex-Somerset-Union, NJ (market 40)
- Monmouth-Ocean, NJ (market 51)
- Morristown, NJ (market 116)
- Sussex, NJ (market 247)
- Trenton, NJ (market 143)

#### **RATED MARKETS**

- Atlantic City-Cape May, NJ (market 142): The Atlantic City-Cape May, NJ market is the 142<sup>nd</sup> largest radio market<sup>8</sup> with 35 total licensed stations and 16 station owners.

There are 13 noncommercial stations listed in the market. Among the 13 noncommercial stations four are supported by the Corporation for Public Broadcasting (CPB) through Community Service Grants (CSG). These stations include WW CJ-FM, licensed to Mercer County Community College, WRTO-FM, licensed to Temple University of Commonwealth System of Higher Education, and WNJN-FM & WNJZ, licensed to the NJPBA.

- Middlesex-Somerset-Union, NJ (market 40): The Middlesex-Somerset-Union, NJ market is the 40<sup>th</sup> largest radio market with eight total licensed stations and seven station owners.

There are three noncommercial stations listed in the market. These noncommercial stations include WKNJ-FM, licensed to Kean University, WVPH-FM, licensed to Piscataway Board of Education, and WRSU-FM, licensed to Rutgers University Board of Governors. In addition, the NJPBA's construction permit in Bernardsville, New Jersey is listed in the market.

<sup>7</sup> The higher the market rank the smaller the population coverage is. There are approximately 300 Arbitron rated markets.

<sup>8</sup> Based on total population coverage.

- Monmouth-Ocean, NJ (market 51): The Monmouth-Ocean, NJ market is the 51<sup>st</sup> largest radio market with 21 total licensed stations and 13 station owners.

There are ten noncommercial stations listed in the market. Among the ten noncommercial Monmouth-Ocean, NJ-market stations, three are supported by CPB through CSGs. These stations include WBJB-FM, licensed to Brookdale Community College, and WNJM-FM & WNJO-FM, licensed to the NJPBA.

- Morristown, NJ (market 116): The Morristown, NJ market is the 116<sup>th</sup> largest radio market with six total licensed stations and six station owners.

There are three noncommercial stations listed in the market. Among the three noncommercial Morristown, NJ-market stations, only one is supported by CPB through CSGs. This station is WNJY-FM, licensed to the NJPBA.

- Sussex, NJ (market 247): The Sussex, NJ market is the 247<sup>th</sup> largest radio market with six total licensed stations and four station owners.

There are two noncommercial stations listed in the market. Among the two noncommercial Sussex, NJ-market stations, only one is supported by CPB through CSGs. This station is WNJP-FM, licensed to the NJPBA.

- Trenton, NJ (market 143): The Trenton, NJ market is the 243<sup>rd</sup> largest radio market with 12 total licensed stations and 11 station owners.

There are six noncommercial stations listed in the market. Among the six noncommercial Trenton, NJ-market stations, only two are supported by CPB through CSGs. These stations include WWFM-FM, licensed to Mercer County Community College, and WNJT-FM, licensed to the NJPBA.

## PROGRAMMING DETAILS

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NJN Radio Network airs a news/talk/info format with primarily National Public Radio (NPR) programming. The network carries such syndicated programs as Morning Edition, Weekend Edition, The Diane Rehm Show, Talk of the Nation, All Things Considered, Car Talk, and BBC Newshour along with unique programs such as NJN News, State of the Arts, and Straight Talk. The programming on the NJN Radio Network keeps listeners well informed on recent events and promotes involvement in the community.

Included in the NJN Radio Network schedule are programs that are audio taken from NJN TV programs, sometimes live simulcasted. These programs include three plays of NJN News during the week, Due Process, Images/Imagenes, Caucus NJ, State of the Arts, Reporters

Roundtable, and On the Record. For more information on the individual programs, visit <http://www.njn.net/radio/programs.html>

Below is the current program schedule for the NJN Radio Network:

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY		
5:00 am	Morning Edition					WBGO Jazz			
6:00 am						Prime Time		The Parent's	
7:00 am						Only A Game		Fresh Air	
8:00 am						Weekend Edition		Weekend Edition	
9:00 am	BBC Newshour								
10:00 am	The Diane Rehm Show					Car Talk			
11:00 am	Fresh Air with Terry Gross					A Prairie Home Companion			
12:00 pm	Tell Me More					Wait, Wait...			
1:00 pm	Talk of the Nation					Car Talk			
2:00 pm					Science Friday	Sound Opinions			
3:00 pm	All Things Considered					Wait, Wait...			
4:00 pm						The Sound of			
5:00 pm						On the Media			
6:00 pm						The Splendid			
6:30 pm	NJN News					Hearing Voices			
7:00 pm	Marketplace					Weekend All Things Considered			
7:30 pm	NJN News					A Prairie Home Companion			
8:00 pm	Talk of the Nation					The Splendid Table			
9:00 pm	As It Happens					A Prairie Home Companion			
10:00 pm	Marketplace					Travel with Rick Steves			
10:30 pm	Due Process	Images / Images	Caucus: New Jersey	State of the Arts	Reporters Roundtable	On your Health			
11:00 pm	NJN News					Living on Earth			
11:30 pm	Outlook					People's			
12:00 am	WBGO Jazz					Special of the			
						Left, Right and			
						Soundprint			
						On The Record			
						Transition			
						Straight Talk			
						Humankind			
						Latino USA			
						WBGO Jazz			

### AUDIENCE DATA

The NJN Radio Network reaches a large audience base with a total CUME of 46,600 people in the Spring 2010 Arbitron survey. Within the network, WNJP-FM has the highest CUME of 11,300 people. The following table shows the individual station audience data for Spring 2010.

<b>New Jersey Public Broadcasting Radio Network Listening Data Philadelphia &amp; New York Non-Met Areas - Spring 2010*</b>		
<b>Persons 12+ in Total Market, Mon-sun, 6A-12M</b>		
	<b>CUME</b>	<b>AQH</b>
<b>WNJB-FM</b>	1,800	100
<b>WNJM-FM</b>	6,300	200
<b>WNJN-FM</b>	10,900	800
<b>WNJO-FM</b>	3,100	100
<b>WNJP-FM</b>	11,300	800
<b>WNJS-FM</b>	-	-
<b>WNJT-FM</b>	10,800	600
<b>WNJY-FM</b>	1,500	-
<b>WNJZ-FM</b>	2,500	100
<b>Network Total</b>	<b>46,600</b>	<b>2,700</b>

\*Produced by RRC LPC Version 3.0 from Arbitron Diary Data

## FINANCIAL OVERVIEW

Note: The audited financial results presented here are combined for the NJPBA and the Foundation for New Jersey Public Broadcasting Inc. ("FNJPB"), the fundraising arm of the NJPBA (see "Organizational Details for more information). Typically, all revenues except membership and underwriting are reported under the NJPBA. In addition, expenses are incurred at the NJPBA level, except for the fundraising expenses, which are reported under the FNJPB. The audited financial statements are available upon request.

In FY2010 (as of June 30, 2010), on a combined basis, the NJPBA generated over \$17.5 million in total revenues, up significantly from \$14.8 million in FY2009. This increase in total revenues was due largely to a major lease agreement on one of the educational broadband services ("EBS") licenses yielding an initial payment of \$3 million in FY2010. This EBS lease agreement will yield an annual payment of approximately \$1 million thereafter<sup>9</sup>. Overall, the NJPBA combined revenues are diversified among five major sources: state funding, contributions & grants, underwriting, CPB CSG income, tower rentals, facilities rentals & contract productions. The state funding encompasses general appropriations (direct), contributed services (indirect) and facilities (indirect). Amid an improving but still weak economy, the FNJPB experienced a \$281,000 decrease in listener sensitive income (contributions, underwriting and grants), a significant improvement over that of FY2009, which had shown a decrease of \$2.55 million from that of FY2008.

Total operating expenses for FY2010 amounted to \$28.8 million, down by \$2.6 million over that of FY2009. This significant decrease in expenses was a result of drastic cuts across all expense categories. Between FY2009 and FY2010, programming, production and broadcasting

<sup>9</sup> Note that the EBS licenses and revenue are not part of this Radio Sale RFP.

costs decreased by \$1.7 million while total support services decreased by \$970,000.

In FY2010, on a combined basis, the change in NJPBA net assets was \$52,566, indicating an increase of approximately \$5.1 million compared to the prior year.

The following table shows a summary of the NJPBA's Statement of Activities on a combined basis.

<b>New Jersey Public Broadcasting Authority</b>		
<b>Revenues and Expenses</b>		
<b>For Year End June 30, 2009 &amp; 2010</b>		
	<b>2009</b>	<b>2010</b>
<b>Support and Revenues</b>		
Contributions and Grants	\$ 3,532,139	\$ 3,680,584
Underwriting	\$ 2,907,692	\$ 2,477,999
Community Service Grants from Corporation for Public Broadcasting	\$ 3,082,296	\$ 3,078,007
Programming Rights	\$ 628,570	\$ 871,429
Workforce Development	\$ 665,170	\$ 411,560
Tower Rentals	\$ 1,369,920	\$ 4,555,455
Facilities Rentals/Contract Productions	\$ 2,056,762	\$ 2,241,583
Other Revenue <sup>1</sup>	\$ 543,661	\$ 252,000
<b>Total Support and Revenues</b>	<b>\$ 14,786,210</b>	<b>\$ 17,568,617</b>
<b>Expenses</b>		
<b>Program Services</b>		
Programming and Production	\$ 12,827,953	\$ 11,680,262
Awards	\$ 1,234,899	\$ 1,243,571
Broadcasting	\$ 9,261,724	\$ 8,732,720
<b>Total Program Services</b>	<b>\$ 23,324,576</b>	<b>\$ 21,656,553</b>
<b>Supporting Services</b>		
Underwriting and Grant Solicitations	\$ 855,070	\$ 798,116
Fundraising and Membership Development	\$ 2,263,456	\$ 1,806,598
General and Administrative	\$ 5,026,480	\$ 4,577,145
<b>Total Supporting Services</b>	<b>\$ 8,145,006</b>	<b>\$ 7,181,859</b>
<b>Total Expenses</b>	<b>\$ 31,469,582</b>	<b>\$ 28,838,412</b>
Excess of Expenses over Revenues	\$ (16,683,372)	\$ (11,269,795)
General Appropriations and Contributed Services and Facilities From State of New Jersey	\$ 11,677,093	\$ 11,322,361
<b>Change in Net Assets</b>	<b>\$ (5,006,279)</b>	<b>\$ 52,566</b>

Note:

1) Other Revenue includes Grants, Trade agreements, Program and Video Sales and Rentals, Investment Return, and Telecasting Production/Other Rental Income

### **Membership and Underwriting Details for NJN Radio Network**

Over the past five years, the NJN Radio Network, on average, has had 24 underwriters and generated \$140,000 in underwriting income. In FY2010, the underwriting revenues, generated through 34 different underwriters, reached approximately \$240,000. The following table illustrates the five-year history in underwriting.

<b>New Jersey Public Broadcasting Authority</b>		
<b>Underwriting Revenue: Radio</b>		
<b>Year</b>	<b>Underwriter Count</b>	<b>Underwriting Revenue</b>
<b>2006</b>	26	\$ 125,242
<b>2007</b>	21	\$ 104,301
<b>2008</b>	19	\$ 135,612
<b>2009</b>	22	\$ 103,017
<b>2010</b>	34	\$ 241,263

The NJN Radio Network's membership income has ranged between \$56,000 (FY2009) and \$110,000 (FY2006). While the membership income has been relatively stable, the number of members fluctuated steeply, ranging between 616 (FY2009) and 1,470 (FY2006). The following table shows the five-year history in membership.

<b>New Jersey Public Broadcasting Authority</b>		
<b>Membership Revenue: Radio</b>		
<b>Year</b>	<b># of Members</b>	<b>Membership Revenue</b>
<b>2006</b>	1,470	\$ 109,364
<b>2007</b>	1,193	\$ 80,690
<b>2008</b>	1,066	\$ 86,158
<b>2009</b>	616	\$ 55,948
<b>2010</b>	769	\$ 77,690

NOTE: As some of the membership and underwriting income is general (not directly tied to either radio or TV), the sum of radio and TV figures may not amount to those shown in the audited financials.

## **ORGANIZATIONAL OVERVIEW**

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The NJPBA is an agency, in but not of, the Department of the Treasury of the State of New Jersey. The NJPBA is responsible for providing non-commercial educational television, radio, internet and public broadcasting services and coordinating advisory assistance to state, local and regional agencies on matters pertaining to public broadcasting. The NJPBA holds

authorizations and licenses from the Federal Communications Commission. Programs are produced at its Trenton and Newark studios and on location. Through memberships and affiliations, the NJPBA has access to programs from the Public Broadcasting Service, the American Program Service, National Public Radio, Public Radio International, and various audio and videotape libraries.

The FNJB is the fundraising arm of the NJPBA and it was established to develop broad community interest in, involvement with, and volunteer service to public broadcasting. The FNJPB also generates financial support, sponsorship and/or assistance with fundraising projects for the benefit of the NJPBA and its several purposes. The FNJPB solicits funds in the name of, and with approval from, the NJPBA. However, upon enactment of the Transfer Act, all funds received by the FNJB will no longer be for the exclusive support and promotion of the NJPBA but for the support of public broadcasting in New Jersey.

For more information on the organizational structure and departments, visit <http://www.njn.net/about/departmentscontacts.html>

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## STATION FACILITIES

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### STUDIOS AND OFFICE FACILITY

The studio and office facilities of WNJS-FM, WNJM-FM, WNJO-FM, WNJY-FM, WNJN-FM, WNJZ-FM, WNJT-FM, WNJP-FM, and WNJB-FM are located at 25 South Stockton Street in Trenton, N.J. The building is owned by the New Jersey Economic Development Authority and primarily occupied by the New Jersey Public Broadcasting Authority ("NJPBA"), which NJN Radio is a part. Management, financial, and engineering staff and offices are shared with the television operations. Two primary radio studios, a combination interview studio and telethon phone room, a workroom equipped with an audio editor, a radio programming office, and an equipment rack room is located on the fourth floor. The rest of the fourth floor is occupied by NJN television operations and engineering offices. The satellite receive equipment, network audio processing, and studio-to-transmitter link (STL) equipment is located on the sixth floor, and a NJN radio-owned satellite receive dish is installed on the roof of the building with a weighted fixed mount. The engineering department, as well as the NJN management and financial staff, are shared by NJN's radio and television operations. The studios were relocated and rebuilt within the past two years, with new-appearing technical furniture custom-built by the television production carpenter shop on-site. However, some of the equipment, including the Wheatstone digital audio consoles, were obviously relocated, as they had already been in service long enough to be listed as "retired" from service. The studios are attractively appointed, and the studio technical furniture and main equipment are clean, well maintained, and in good working order. The status of the office furniture and chairs ranges from average condition to heavy wear and tear.

## **STUDIO EQUIPMENT**

The NJPBA owns and maintains technical equipment for use in the radio stations' daily broadcast operations. At the NJN Radio studios in Trenton, this equipment includes: Wheatstone and Behringer audio consoles, Broadcast Electronics AudioVault digital audio storage and editing systems, Electro-Voice microphones mounted on shock mounts and O.C. white boom arms, Leitch slave clock display systems, RTS intercom and cue systems, Sony digital audio tape recorders, Sony portable digital audio recorders, 360 systems and Denon audio cart recorders, audio distribution, digital encoding and decoding, and switching equipment by Grass Valley and Leitch, Telos and Radio Systems studio telephone interface systems, Orban audio processing, TFT EAS systems, ADC and Bittree audio patch panels, Bose, Fostex, Wohler, Electro-Voice, JBL, and Crown audio monitoring, ESE timers, Microvision control interface relays, and Tascam cassette recorders. Overall, the technical equipment has been well-maintained and is in fair-to-good condition.

The NJPBA owns a one-meter Ku band satellite receive antenna located on the roof of the studios. The satellite receive equipment includes Satellite Systems downconvertors, Comstream receivers, and Microphase Communications demodulators. The satellite receive equipment is in overall fair condition.

The custom studio technical furniture is in good condition, and the office furniture and studio chairs are in fair condition.

## **PROGRAM DELIVERY NETWORK**

The radio stations are connected with an extensive microwave relay audio system starting out as digitally encoded audio subcarriers piggybacked on the NJN television digital microwave STL and intercity relay system. The NJN television STL and intercity relay system utilizes Microwave Radio dual-stream equipment, and was installed new, along with upgrading the radio audio relay system to digital encoding, during the television digital transition. From the television transmitter sites, the digitally encoded radio program feed is carried on 950 MHz band radio STL links to all but one NJN radio station, WNJO in Toms River, which retransmits a signal received over-the-air.

NOTE: In the event two separate entities are selected to manage and operate the NJN Radio Network and the NJN Television Network or own the NJN Radio Network, those entities will be responsible for submitting a plan to cooperate, enter into contracts or otherwise agree on the use of shared infrastructure.

At the studios, the audio feed is processed by an Orban audio processor, and then encoded onto digital subcarriers in a dual-redundant 13 GHz television STL microwave system, with the backup side using a Microwave Radio Digi-Pro subcarrier encoder, and the primary side utilizing a Moseley digital audio subcarrier encoder. This STL link transmits to the WNJT-TV

Trenton transmitter site northeast of Trenton, where the WNJT transmitter site is also co-located. From this point the television relay system, with the radio audio digitally encoded and piggybacked, splits north and south.

The northern leg relays to the WNJB-TV New Brunswick transmitter site, via a 7 GHz digital television STL link. At New Brunswick, the radio network feed is passed onto a 944.5 MHz radio STL link using Moseley equipment, feeding two sites; the NJN Sussex TV tower on Hamburg Mountain, which serves as the WNJP transmitter site, and to the WNJY transmitter site at Netcong.

The southern radio program feed leg leaves the Trenton transmitter site via a 7 GHz TV intercity relay link to the Mt. Holly relay site, where a second television 7 GHz TV intercity relay link relays the signal to the co-located WNJS-TV and WNJS-FM transmitter site in Waterford Township. From the WNJS-FM transmitter site, the radio network signal is again digitally encoded and transmitted via a 945 MHz radio STL link, utilizing Moseley equipment; this STL link is received at three locations. The first receive site for the 945 MHz STL link is at the WNJB transmitter site near Bridgeton. The second receive site for the 945 MHz STL link is at the WNJN transmitter site at Mays Landing, where the signal is then retransmitted on a 949.5 MHz STL link to the WNJZ transmitter site at Cape May Court House. The third receive site for the 945 MHz STL link transmitted from the WNJS-FM transmitter site is at the WNJM-FM transmitter site at Manahawkin. The signal from the WNJM-FM transmitter at Manahawkin is then received over-the-air at the WNJO transmitter site at Seaside Park, and retransmitted on WNJO.

The television microwave relay equipment on which the signal is piggybacked, the digital encoders and decoders, and the 950 MHz band radio STL link equipment, along with the Scala and Mark STL antennas and Andrew and Cablewave coaxial transmission lines are in fair-to-good condition.

## **TRANSMITTER SITES**

### NJN Radio Transmitter Sites

The tower space and equipment shelter space for all of the NJN radio stations are leased from other state agencies, incorporated cities or townships, private entities, or owned by the NJPBA. The transmitter sites for WNJS-FM, WNJT-FM, WNJP, and the New Brunswick STL subcarrier relay point are co-located at NJN television transmitter sites, and the Mt. Holly relay site primarily serves the television intercity relay system.

### WNJS-FM Transmitter Site

The WNJS-FM transmitter site is co-located at the WNJS-TV transmitter site on Arrowhead Drive, in Waterford Township, near Berlin, and southeast of Camden. The antenna system consists of a dB products six-bay low power FM antenna, 125 feet of 1 5/8 inch coaxial

transmission line, and a RF splitter system that combines the FM signal and STL signal onto one transmission line. The transmitter is a Harris Digit exciter and a Vocom Products 100 watt FM RF amplifier. Other transmitter equipment includes: Burk and Gentner remote control systems and Belar monitoring equipment. All antenna system and transmitter equipment appeared to be in fair-to-good condition. Other technical equipment at this site includes an Orban audio processor, and an Nvision powered rack frame with digital audio distribution modules. It was noted that some of the Gentner remote control system components, both in the rack and spares, need new backup batteries. As a result of the digital upgrade realignment, there are two good spare Orban audio processors that have been removed from individual sites and stored at this site.

#### WNJM-FM Transmitter Site

The WNJM-FM transmitter site is located at 1001 Beach Avenue, in Manahawkin. The antenna system consists of a two-station combiner; the SWR three-bay antenna and transmission line are leased and shared. The transmitter is a Crown FM250E 250 watt FM transmitter. Other transmitter equipment includes a Gentner remote control system and Belar monitoring equipment. Other technical equipment includes a pair of Fostex powered loudspeakers and a metal equipment rack.

#### WNJO-FM Transmitter Site

The WNJO-FM transmitter site is located at 13th Avenue and Barnegat Avenue in Seaside Park. The transmitting and receive antennas are mounted on a water tower. The transmitter, transmitter equipment and technical equipment are mounted in a weatherproof, air-conditioned cabinet similar to those commonly used at cellular sites, which is mounted atop a four foot square metal platform supported by four 4-foot high concrete piers. The antenna system consists of a Jampro two-bay FM antenna and 150 feet of 7/8 inch coaxial transmission line. The transmitter consists of a Crown FM150 exciter and a Crown PA2000, a two kW FM RF amplifier. Other transmitter equipment includes: Sine Systems remote control systems, Belar monitoring equipment, and Modulation Sciences audio processing. Other technical equipment includes a temperature monitor, a pair of Fostex powered loudspeakers, and an Inovonics professional FM receiver with associated off-air antenna.

#### WNJY-FM Transmitter Site

The WNJY-FM transmitter site is located at the intersection of Route 206 and Route 80, Mountain Road, in Netcong. The antenna system consists of a Scala two-bay FM antenna and 250 feet of 7/8 inch coaxial transmission line. The transmitter is a Crown FM300 FM transmitter. Other transmitter equipment includes: Orban audio processing and Belar monitoring equipment. Other technical equipment includes a pair of Fostex powered loudspeakers and a metal equipment rack.

#### WNJN-FM Transmitter Site

The WNJN-FM transmitter site is located adjacent to the west parking lot, on the grounds of the Atlantic Coast Community College, in Mays Landing. The antenna system consists of a Jampro three-bay FM antenna, 250 feet of 1 5/8 inch coaxial transmission line, and an Andrew air dryer. The transmitter is a Harris PT-2CD, a 2.2 kW FM transmitter. Other transmitter equipment includes: Gentner remote control and Belar monitoring equipment. All antenna system and transmitter equipment appeared to be in fair-to-good condition.

#### WNJZ-FM Transmitter Site

The WNJZ-FM transmitter site is located adjacent to the J.F. Kelly Construction building, at 916 Route 9 North, in Cape May Court House. The antenna system consists of a SWR three-bay FM antenna, Cablewave 1 5/8 inch coaxial transmission line, and a Cablewave air dryer. The transmitter is a Broadcast Electronics (BE) FM-2C, equipped with a BE FXi exciter. Other transmitter equipment includes: Orban audio processing, Gentner remote control and Belar monitoring equipment. Other technical equipment includes a metal equipment rack.

#### WNJT-FM Transmitter Site

The WNJT-FM transmitter site is at the end of Grover's Mill Road, one-half mile east of the intersection of US Route 1 and Interstate 295. The site is co-located with the WNJN-TV transmitter site. The antenna system consists of a dB Products five-bay FM antenna and 800 feet of 7/8 inch coaxial transmission line. The transmitter consists of a Harris Digit exciter. Other transmitter equipment includes: Orban audio processing, Belar monitoring equipment and a Gentner Silence Sensor. All antenna system and transmitter equipment are in fair-to-good condition.

#### WNJP-FM Transmitter Site

The WNJP-FM transmitter site is located at a NJN-owned tower identified as the "Sussex" TV tower, FCC ASR# 1045122, located one-half mile southeast of NJ Route 517 and Sand Point Road in Hardistonville, New Jersey. The WNJP-FM antenna system consists of a Jampro two-bay FM antenna and 225 feet of 7/8 inch coaxial transmission line. The transmitter is a Harris Quest 500 watt FM transmitter. Other transmitter equipment includes: Orban audio processing and Belar monitoring equipment. The other technical equipment includes a metal equipment rack.

#### WNJB-FM Transmitter Site

The WNJB-FM transmitter site is located at 637 Bridgeton Avenue (a.k.a. County Road 666), in Bridgeton. The antenna system consists of a Jampro four-bay FM antenna and 250 feet of 1 5/8 inch coaxial transmission line. The transmitter is a Harris Quest 500 watt FM transmitter. Other transmitter equipment includes: a Gentner remote control system and Belar monitoring equipment. The other technical equipment includes a Wohler audio monitor and a metal

equipment rack.

**ATTACHMENT C:  
APPRAISAL**

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An independent appraisal of the NJN Radio Network assets was prepared by BIA/Kelsey in January 2011. The appraisal is available electronically at <http://www.nj.gov/treasury/administration/pba/>

**ATTACHMENT D:  
INVENTORY**

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The complete inventory list is available electronically at <http://www.nj.gov/treasury/administration/pba/>

**ATTACHMENT E:  
FORM OF LETTER OF INTENT**

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[Insert Letterhead]

\_\_\_\_\_, 20011

[Name]

[Title]

[Address 1]

[Address 2]

Re: ***Purchase of Radio Assets of New Jersey Public Radio Broadcast Authority (the "Stations")***

Dear [ ]:

This letter sets forth certain non-binding understandings and certain binding agreements of the parties hereto regarding the principal terms pursuant to which [ ], directly or indirectly through one or more affiliates ("Buyer"), proposes to pursue a possible acquisition of certain of the assets of, and receive an assignment of the applicable Federal Communications Commission ("FCC") authorizations for, the Station or Stations ("Station") owned by the New Jersey Public Broadcasting Authority ("Seller") and operate and manage the Station under a short-term management and operation agreement (the "Transaction").

With the exception of Sections 7, 8, 9 and 10 (the "Binding Provisions"), the provisions of this LOI are intended only as an expression of the basic terms upon which Buyer is willing to continue to evaluate and potentially pursue a Transaction and such provisions are subject in all respects to the conditions specified herein and reflect the mutual understanding of Buyer and Seller with respect to the matters described herein. In addition, with the exception of the Binding Provisions, the parties hereto mutually agree that provisions of this letter of intent

(“LOI”) shall not create any legally binding obligations between the parties, including without limitation any obligation to bargain or negotiate with respect to the Transaction in good faith or in any other way other than at arm’s length, and neither Buyer nor Seller shall have any liability to the other with respect to, based on, arising from or relating to this LOI.

1. **Assets/Liabilities.**

(a) **Assets to be Sold.** Subject to the conditions herein described, including the negotiation and execution of the definitive purchase agreement between Buyer and Seller which shall set forth the terms and conditions for the proposed Transaction (the “Agreement”), Seller shall sell and transfer and Buyer shall acquire and accept clear title, free and clear of all liens, mortgages and encumbrances to certain of the tangible and intangible assets of Seller that are owned, used and/or useful in the operation of the Station, including, but not limited to, certain equipment detailed in Attachment [ ], certain use permits for property relating to the tower and transmitter site detailed in Attachment [ ], and FCC authorizations (the “Assets”).

(b) **Excluded Assets.** Excluded from the Assets to be sold to Buyer and from the definition of Assets as used herein shall be: (i) any assets of Seller that are not dedicated to the Station; (ii) all cash, cash equivalents, accounts receivable or similar type investments of Seller; and (iii) any and all contracts of insurance or insurance proceeds and insurance claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date.

(c) **Assumed Liabilities.** Buyer shall not assume any liabilities of Seller other than those pursuant to the assumption of obligations to be performed on and after the closing date on those specific leases, contracts, and agreements that Buyer designates and acquires from Seller pursuant to the Agreement at the closing of the Transaction.

2. **Purchase Price.**

(a) Subject to the conditions herein described, including the negotiation and execution of the Agreement, Buyer will purchase the Assets for a total purchase price of [ ] (the “Purchase Price”) and other non-cash consideration as set forth below, to be wired to Seller in immediately available funds on the closing date.

(b) Upon execution of the Agreement and subject to the terms and conditions set forth in an escrow agreement mutually agreed upon by Buyer, Seller and an escrow agent, Buyer shall place into an escrow account a good faith cash deposit in an amount of at least five percent of the Purchase Price subject to return to Buyer if Seller fails to meet certain of the conditions set forth in Section 4 below or as otherwise provided in the Agreement, with a mutually acceptable third-party escrow agent, to secure Buyer’s performance under the Agreement. All interest earned on the escrow deposit shall accrue to Buyer.

3. **Diligence.** Upon Seller's acceptance of this LOI, Buyer will submit to Seller a list of materials that Buyer expects to review as part of Buyer's due diligence investigation. During Buyer's due diligence investigation, Seller will cooperate with Buyer by making available to Buyer and its representatives and advisors, during business hours or as otherwise agreed upon by the parties hereto, the information requested, to the extent reasonably available to Seller, and allowing inspection of the Station's facilities, tower and transmitter by Buyer and its representatives and advisors, as reasonably requested by Buyer.

4. **Conditions.** The Station acquisition shall be conditioned upon the following:

(a) Completion by Buyer of its due diligence review of the Station and Buyer's satisfaction, in its sole discretion, of the results of its due diligence review. Upon completion of its due diligence review, but in no event later than fifteen (15) days after the execution of this LOI, Buyer will inform Seller in writing of whether Buyer intends to continue to pursue the Transaction.

(b) The negotiation and execution of the Agreement, which shall contain terms and conditions mutually acceptable to the parties, including covenants, representations, warranties, and indemnification reasonably satisfactory to Buyer and Seller and customary in a transaction of this nature including, without limitation the Terms and Conditions set forth in Attachment F of the Radio Sale RFP and including, without limitation in the case of the representations and warranties contained in the Agreement, provisions that the Station is operating in material compliance with FCC rules and regulations, and otherwise within the limits of all material local, state and federal laws governing the businesses of the Station. Both parties agree that time is of the essence in the preparation of the Agreement and in preparing all other documents and applications required for filing with the proper local, state, and federal agencies in order to implement this Transaction. Both parties agree that if the Agreement is not executed within fifteen (30) days from the date of executing this LOI, neither party shall have any further legal obligation under this LOI other than the Binding Provisions.

(c) Buyer reimbursing all direct and indirect operating costs associated with the Stations under a short term management and operations agreement that is consistent with FCC requirements, such costs including, but not limited to utilities, tower rent, insurance and other costs.

(d) Buyer and Seller obtaining all consents and approvals necessary to transfer, convey and/or assign the Assets. Within the sooner of ten (10) days of execution of the Agreement or the expiration of the period for the State Legislature's review, Seller and Buyer shall join in and file an application with the FCC requesting its written consent to the assignment of the Station license from Seller to Buyer.

(e) Approval by Buyer's and Seller's Board of Directors or Trustees or appropriately designated officials or governmental entities of the contemplated transaction and any other

approvals required by statute, including the New Jersey Public Broadcasting System Transfer Act (L. 2010, c. 104) (the "Transfer Act").

(f) Buyer's reasonable satisfaction that the Station's condition is as represented during the course of the negotiations, that there have been no material adverse changes in the Station's condition, and that there are no material regulatory, legal, engineering, or other impediments to Buyer's operation of the Station in accordance with their respective licenses.

(g) The absence of any pending or threatened litigation regarding the Agreement, the Transaction and any other transactions contemplated by the Agreement, unless waived by the parties.

5. **Closing.** A closing of the sale of the Stations (the "Closing") will occur on a mutually acceptable date within ten (10) business days following the date on which the FCC's consent to the assignment of the Station's FCC authorizations from Seller to Buyer is received and the satisfaction of the other conditions precedent set forth in the Agreement. If the Closing of the Transaction has not been completed within twelve (12) months after public notice of the application for assignment of Station's licenses to Buyer (or if certain other conditions precedent set forth in the Agreement have not been met), either party hereto shall have the right to terminate the Agreement.

6. **Expenses and Brokers.** Buyer and Seller shall each bear its respective costs and expenses for attorneys, accountants, brokers and advisors retained by or representing it in connection with this transaction.

7. **Exclusive Dealing.** In consideration of the efforts and expenses to be incurred by Buyer between the date of this LOI and the execution by the parties hereto of the Agreement, Seller agrees that during the term of this LOI neither Seller nor its officers, directors, employees, agents, affiliates or brokers shall solicit, discuss or negotiate with anyone other than Buyer a possible transaction for the sale of the Station or the Assets.

8. **Confidentiality.** Buyer agrees to treat confidentially all information exchanged or acquired in connection with the negotiation and execution of the Agreement and in connection with its due diligence, including the terms of this proposal, the identity of Seller, and the fact that discussions are taking place between Buyer and Seller in connection with this LOI, except that such information may be disclosed to Buyer's lenders, prospective donors, counsel, accountants and other representatives and principals assisting such party with the transactions contemplated hereby, and as required by law, including the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq. This paragraph 8 shall not apply to information generally known in the broadcast industry as of the date hereof or that becomes so known following the date hereof, unless such information becomes generally known due to the negligence, willful misconduct or failure to fulfill an obligation in this LOI or the Agreement by the Buyer. In the event that the Transaction is not consummated, Buyer will, and will cause any third parties in receipt thereof to, return to Seller all documents and materials obtained from Seller with

regard to this transaction and all copies, electronic or otherwise, thereof; *provided, however*, that Buyer and any of its representatives and advisors in receipt of such confidential information shall be permitted to retain such confidential information in accordance with each party's respective document retention policies; *provided further*, that any confidential information retained pursuant to document retention policies shall be kept confidential in accordance with this LOI. Buyer shall not use any information obtained from Seller for any purpose other than evaluating the transaction proposed herein.

9. **Outstanding Agreements.** Seller hereby represents that as of the date hereof, Seller has no outstanding agreements, contracts or letter of intent with any party other than Buyer with respect to a proposed Transaction or to otherwise buy or operate the Station.

10. **Press Release.** Prior to the Closing, Buyer agrees that it shall not make any public announcement or issue any press release regarding this LOI or the Transaction without the prior written consent of the Seller.

11. **Governing Law.** The laws of the State of New Jersey shall govern this LOI. Jurisdiction shall be exclusively in the State courts of the State of New Jersey. The State does not consent to federal court jurisdiction. This LOI supersedes all prior understandings and agreements among the parties hereto relating to the subject matter hereof.

12. **Miscellaneous.** This LOI does not purport to include all the essential terms of the transaction contemplated hereby (which will only be contained in the Agreement) and, accordingly, is not intended to be a legally binding agreement; provided, however, that the provisions set forth in paragraphs 7, 8, 9 and 10 shall be binding upon the parties hereto in accordance with their terms. This LOI may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. The parties hereto may sign facsimile or scanned copies of this LOI which shall each be deemed originals. All clauses and covenants contained in this LOI are severable and in the event any of them is held to be invalid by any court, this LOI shall be interpreted as if such invalid clauses and covenants were not contained herein.

13. **Expiration.** This LOI shall expire if not replaced by the Agreement (and, if replaced by the Agreement, the terms of the Agreement shall govern) within thirty (30) days after the signing of this LOI by Buyer and Seller, pending appropriate New Jersey legislative approval. The term of this LOI may be extended with the agreement of Buyer and Seller.

**\*\*\*Signature Page Follows\*\*\***

If this LOI correctly sets forth your understanding with respect to the proposed Transaction described herein, please sign the enclosed copy of this LOI in the space provided below and return it to the undersigned.

We look forward to proceeding toward a Transaction that we believe will be advantageous to both parties. If this LOI is not executed by 5:00 PM Eastern Time on [        ], 2011, then this LOI shall become null and void.

Very truly yours,

\_\_\_\_\_

[Name]

[Title]

[Organization]

**Accepted and Agreed to by [Name]**

\_\_\_\_\_, 2011

By: \_\_\_\_\_

Name:

Its:

**ATTACHMENT F:  
STANDARD TERMS AND CONDITIONS**

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The Standard Terms and Conditions are available electronically at  
<http://www.nj.gov/treasury/administration/pba/>