MEMORANDUM OF UNDERSTANDING

BETWEEN

THE STATE OF NEW JERSEY, DEPARTMENT OF THE TREASURY

AND

THE NEW JERSEY PUBLIC BROADCASTING AUTHORITY

This Memorandum of Understanding ("MOU"), made as of this 1st day of July, 2011 (the "Effective Date"), is between the STATE OF NEW JERSEY, DEPARTMENT OF THE TREASURY ("Treasury") and the NEW JERSEY PUBLIC BROADCASTING AUTHORITY ("NJPBA"), both instrumentalities of the State of New Jersey ("State") (collectively, Treasury and NJPBA are referred to herein as the "Parties").

WHEREAS, NJPBA was established pursuant to N.J.S.A. 48:23-1 et seq.; and

WHEREAS, the New Jersey Public Broadcasting System Transfer Act, P.L. 2010, c. 104 ("Transfer Act"), authorizes the State Treasurer to transfer operations of the public broadcasting system and/or transfer of all or part of the assets of the NJPBA, including, but not limited to, the radio operating licenses, but not the television operating licenses; and

WHEREAS, pursuant to Section 5 of the Transfer Act, provisions have been made for the transfer of all of the NJPBA's radio operating licenses, pending Federal Communications Commission ("FCC") approval; and

WHEREAS, while FCC approval is pending for the transfer of the Authority's radio operating licenses, the NJPBA will enter into short-term management and programming agreements with WHYY, Inc. and New York Public Radio; and

WHEREAS, NJPBA continues to be and remains an authority in accordance with the terms of its governing statute; and

WHEREAS, NJPBA, as the licensee of the television broadcast licenses and other transmission facilities, must continue to maintain compliance with FCC, the Corporation for Public Broadcasting ("CPB") and other federal agencies' rules and regulations (collectively, "Federal Requirements"); and

WHEREAS, NJPBA will be required as part of its obligations under the Federal Requirements, the Transfer Act, any transactions undertaken pursuant to the Transfer Act and any other State law, rule, regulation or executive order to ensure compliance with the same; and

WHEREAS, as of July 1, 2011, there will be no employees of the NJPBA to ensure compliance with the Federal Requirements, the Transfer Act, any transactions undertaken pursuant to the Transfer Act and any other State law, rule, regulation or executive order; and

WHEREAS, in order for the NJPBA, as the licensee of the radio broadcast licenses and the television broadcast licenses and other transmission facilities, to maintain compliance with the Federal Requirements, it must satisfy, among other things, the FCC main studio and minimum staff requirements;

WHEREAS, the Treasury has the available staff capacity as well as the technical and support expertise to provide to NJPBA the necessary employees to enable NJPBA to maintain compliance with the Federal Requirements, the Transfer Act, any transactions undertaken pursuant to the Transfer Act and any other State law, rule, regulation or executive order; and

WHEREAS, pursuant to N.J.S.A. 52:14-1 which addresses cooperation between departments, NJPBA and the Treasury are desirous of working with each other to effectuate compliance by NJPBA with the Federal Requirements, the Transfer Act, any transactions undertaken pursuant to the Transfer Act and any other State law, rule, regulation or executive order and of setting forth in this MOU the respective duties and responsibilities of each Party in connection therewith; and

NOW THEREFORE, in exchange for the promises herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by the Parties as follows:

Section I. Providing Employees to NJPBA by Treasury

1. The Treasury shall provide Treasury employees (the "Employees") to NJPBA for the purpose of ensuring compliance by NJPBA with the Federal Requirements, the Transfer Act, any transactions undertaken pursuant to the Transfer Act and any other State law, rule, regulation or executive order in accord with the following understandings:

a. NJPBA hereby agrees to compensate Treasury, from NJPBA revenues or appropriations to NJPBA, for all costs associated with the Employees for providing Services (as defined below) to NJPBA. Such costs to be paid by NJPBA to Treasury with respect to the Employees include, but are not limited to, salary and benefits. NJPBA shall include the total cost of compensating Treasury for all costs associated with the Employees for providing Services to the NJPBA in its annual budget.

b. The Employees will provide the following services, including, but not limited to: (1) maintaining compliance with the Federal Requirements relating to the FCC licenses held by the NJPBA; (2) overseeing any agreements with private operators; (3) carrying out all duties and responsibilities that the NJPBA has under the Transfer Act and any other State law, rule, regulation or executive order; and (4) carrying out all duties and responsibilities that the NJPBA has as FCC licensee (collectively, the "Services").

c. The Employees will provide the Services required by the NJPBA.

Section III. Miscellaneous

1. The Parties acknowledge that the successful completion of each Party's duties hereunder will require cooperation between the Parties. The Parties agree to work cooperatively to achieve the goals of this MOU.

2. This MOU shall be effective as of the date of final execution by the Parties and unless sooner terminated as set forth herein.

3. Each Party shall have the right to terminate this MOU upon 30 days prior written notice to the other Party. In the event of such termination, all responsibilities for maintaining compliance with the Federal Requirements, the Transfer Act, any transactions undertaken pursuant to the Transfer Act and any other State law, rule, regulation or executive order and providing Services shall revert to the NJPBA.

4. The Parties may modify this MOU only by a writing signed by both of the Parties.

5. The recitals appearing before Section I are made part of this MOU and are specifically incorporated herein by reference.

IN WITNESS HEREOF, the Parties have executed this MOU on the date set forth above.

STATE OF NEW JERSEY, DEPARTMENT OF THE TREASURY

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

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

By: _____
Andrew P. Sidamon-Eristoff
Chair