

**MANAGEMENT AGREEMENT**

THIS MANAGEMENT AGREEMENT is made this   6th   day of January, 2011, by and between The Board of Regents of the University System of Georgia for and on behalf of the University of Georgia ("University" or "UGA") and the Georgia Public Telecommunications Commission ("GPTC").

**RECITALS:**

WHEREAS, the University is or will become the Federal Communications Commission ("FCC") licensee of television Station WNEG-TV, DTV Channel 24, Virtual (PSIP) Channel 32, Toccoa, Georgia (FIN 63329) and its ancillary services (broadcast auxiliary remote pickups, studio-to-transmitter links, etc.) (the "Station");

WHEREAS, the University is the flagship institution of higher education in the State of Georgia with a mission that recognizes the University's integral and unique role in the conservation and enhancement of the state's and nation's intellectual, cultural and environmental heritage;

WHEREAS, GPTC is an experienced noncommercial educational station broadcaster, the licensee of the statewide public television and radio networks in Georgia, including Station WUGA, Athens, GA, ("WUGA-FM"), with a mission to create, produce and distribute high quality programs and services that educate, inform and entertain its audiences and enrich the quality of their lives;

WHEREAS, the University and GPTC are interested in having the Station serve the educational and cultural interests of the residents of its service area and preserving the Station as an educational asset for the University, the community of license and the State of Georgia;

WHEREAS, the University desires to ensure the financial stability of the Station, preserve the integrity of the University as licensee of the Station; provide University students and faculty with practical learning experiences on the Station's media platform; increase the visibility of the Station within the Northeast Georgia community; provide thoughtful and sophisticated educational programming that fully represents the overall mission of the University; and increase the programming resources available to the Station;

WHEREAS, GPTC is willing to provide the University with assistance in achieving those goals by providing educational, cultural, entertainment and other public television programming ("Programming") for broadcast over the Station, in addition to such programming the University may provide, by assisting the University in fundraising activities for the Station and by managing the Station under the ultimate supervision of the University in accordance with the rules and regulations of the FCC and the provisions of this Agreement, and by establishing a multimedia platform to serve the educational, cultural, and entertainment needs and interests of the residents of the areas served by the Station;

WHEREAS, the University and GPTC wish to collaborate in ways that will advance the educational objectives of both parties;

NOW, THEREFORE, in consideration of the above recitals and mutual promises and other good consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. MANAGEMENT of the STATION. Subject to the ultimate supervision and control of the University as described in Section 10, GPTC shall, starting on the Commencement Date, manage the Station in accordance with the terms of this Agreement and applicable FCC rules and policies.

(a) Programming.

(i) Unless otherwise agreed by the parties, GPTC shall provide up to twenty-four hours per day of Programming seven days a week to be broadcast over the primary digital channel of the Station commencing on the Commencement Date. The program schedule for the Station, including the Programming to be provided by GPTC and the times at which it will be broadcast, will be chosen by the General Manager in consultation with GPTC and the University, *provided, however*, that nothing in this Agreement shall require GPTC to provide Programming for broadcast at the Station for which GPTC does not have the necessary rights or to provide Programming which GPTC concludes, in the exercise of its reasonable discretion, would interfere with GPTC's plans for the Georgia Public Television Network or is otherwise inconsistent with the objectives and goals of this Agreement. The schedule for the broadcast of Programming provided by GPTC shall not, in the exercise of GPTC's reasonable discretion, interfere with GPTC's plans for the Georgia Public Television Network or otherwise be inconsistent with the objectives and goals of this Agreement.

(ii) The Programming will be consistent in quality and general subject matter with the public television programming currently broadcast by GPTC's noncommercial educational television stations, but may include different educational, entertainment, cultural or public television programs than the programs broadcast by GPTC's stations. The General Manager shall endeavor to assure that the programs scheduled for and broadcast by the Station are responsive to the needs and interests of the Station's community of license and further the University's educational objectives.

(iii) The programming broadcast by the Station shall comply with FCC programming requirements, including, but not limited to, children's programming, political broadcasts, underwriting and sponsorship identification rules, EAS requirements, closed-captioning, political broadcast rules, etc. The Programming shall not, to the best of GPTC's information, knowledge and belief, include any libelous or defamatory material, unlawfully invade the privacy of any individual, or violate the intellectual property rights of any individual or entity.

(b) GPTC Management Responsibilities. GPTC's management responsibilities shall include the administration of the Station's operations, management of personnel, master control, traffic, interconnection, engineering maintenance and support for Station facilities, and financial

management. GPTC shall manage the Station in a manner that is consistent with established practices for the management and operation of a noncommercial educational broadcast station, including using commercially reasonable efforts to assure that the Station operates in accordance with the Communications Act and all applicable FCC rules, regulations and policies, and with good engineering practices.

(c) Delivery of Programming. GPTC shall deliver the Programming to the studios of the Station using such facilities as it reasonably believes, after consultation with the University, will best serve the purposes of this Agreement. The University shall be responsible for constructing such facilities as may be necessary to transmit the Programming to the transmitter site and for the costs of thereof.

(d) Original Programming.

(i) The University shall retain the right (but not the obligation) to program the Station with its own programming, including local productions and local specials (collectively "Original Programming"). The Original Programming shall comply with applicable FCC programming requirements, including underwriting and sponsorship identification rules, closed-captioning requirements, etc. To the extent an Original Program triggers any obligation under Section 315 of the Communications Act or the FCC's rules to provide the opportunity to reply to matter included in an Original Program, the University shall bear the costs of compliance, including the production, if necessary, of any additional programming. The Original Programming shall not, to the best of the University's information, knowledge and belief, include any libelous or defamatory material, unlawfully invade the privacy of any individual, or violate the intellectual property rights of any individual or entity.

(ii) The costs of any Original Programming, including, but not limited to, the costs associated with closed-captioning or any other material required by the Communication Act, as it may be amended from time to time, FCC rules or policies, as they may be amended from time to time, or any other law, shall be borne by the University. The University will devote such financial and personnel resources as may be required to produce Original Programming that meets reasonably accepted production standards for public television programming. In the event that GPTC believes, in the exercise of its reasonable judgment, that the production values of an Original Program are unacceptable, it shall discuss the matter with the University in an effort to improve the production values so that the broadcast of the program will not adversely affect the Station, the University or GPTC. The University shall not be required to meet production standards that exceed those used by GPTC in connection with the programs GPTC produces for its own stations.

(iii) Unless otherwise agreed by the parties, the University will provide GPTC with at least thirty (30) days advanced notice for individual programs and with at least sixty (60) days advanced written notice for a regular program series that it intends to broadcast as Original Programming over the Station. The University will provide GPTC

with at least sixty (60) days advance written notice of its intention to modify the amount or broadcast hours of Original Programming on an ongoing, regular basis. The notice shall describe the proposed programming, its duration, and when the University proposes that it be broadcast. Unless GPTC reasonably believes that the scheduling of the proposed Original Programming will interfere with the program schedule for the Station as established pursuant to Section 1(a)(i), GPTC shall cooperate with the University to schedule the Original Programming and assure its insertion in the program schedule. Where GPTC reasonably believes that the proposed Original Programming will adversely interfere with the GPTC program schedule for the Station, the parties shall negotiate in good faith to resolve the matter.

(iv) The University shall be responsible for delivering the Original Programming to the Station at its cost.

(v) Upon request and subject to intellectual property rights clearances, the University shall make available to GPTC its Original Programming for use on GPTC's statewide network of noncommercial educational television stations.

(e) Station Expenses. The University shall bear the operating costs of the Station, including, but not limited to, utility costs, rents, maintenance and repair of the facilities, and for the compensation of its employees assigned to the Station. GPTC shall not be required to incur any added costs in connection with the performance of its obligations under this Agreement, including, but not limited to any program acquisition or production costs, any costs for equipment or facilities, or personnel costs. Any cost overruns shall be borne by the University, *provided, however*, that GPTC shall promptly notify the University in the event that the operation of the Station or the costs of acquiring programming for the Station are projected to exceed the budgeted amounts and shall obtain the consent of the University before incurring such costs. In the event the University is unwilling or unable to meet those costs, GPTC shall, after consulting with the University, make such adjustments to the budget as may be necessary to assure that the budget remains balanced.

(f) Station Budget. GPTC and the University shall prepare a balanced budget for the Station for each fiscal year, as set forth in Schedule 1(f). The first budget shall be prepared and agreed upon prior to the Commencement Date. The budget shall be reviewed not later than six months after the Commencement Date. Thereafter, the Station budget shall be reviewed and agreed upon by the parties annually at least ninety (90) days prior to the beginning of the fiscal year for the State of Georgia. In the event that the parties cannot agree on the terms of a budget for the following fiscal year, the parties shall continue to operate the station pursuant to the terms of the budget last agreed upon until such time as a new budget is agreed to.

(g) Management Personnel.

(i) The University shall, in consultation with and with the agreement of GPTC, employ at least two individuals who will be assigned to the Station, including the General Manager and the Chief Accountant, or such other titles as the parties may agree upon.



The General Manager and one other employee shall be full-time, as that term is defined by the FCC. The General Manager and the Chief Accountant shall report directly to the University President, or such officer of the University as the President may designate, and to the Executive Director of GPTC, or such officer of GPTC as the Executive Director may designate. The University and GPTC shall periodically review the performance of the General Manager to assure that both parties are comfortable with the General Manager's performance. If GPTC concludes, in good faith, that the General Manager or the Chief Accountant is impeding or interfering with GPTC's performance of its obligations under this Agreement or is not effectively implementing GPTC's policies for the Station, the decision whether to retain the General Manager or the Chief Accountant for Station duties (but not a University employee) shall be resolved as set forth in Section 11 below, *provided however*, GPTC shall have the right to require the University, in accordance with applicable personnel requirements, to remove the General Manager or the Chief Accountant from any duties relating to the Station (but not from University employment) for cause.

(ii) The General Manager will be responsible for the management and operation of the Station, for assuring that the Station operates in accordance with the policies, business, educational, and other plans adopted by GPTC pursuant to this Agreement, and for facilitating the development of a multimedia public media platform consisting of the Station, WUGA(FM) and [www.wuga.org](http://www.wuga.org) (the "website"). The Chief Accountant shall be responsible for assuring the accuracy of the financial records respecting the Station, and such other matters as may be assigned by the University or upon reasonable request of GPTC.

(h) Other Personnel. Upon reasonable request by the General Manager, the University shall make available the University-paid or volunteer staff of WUGA(FM) to assist GPTC in connection with the performance of GPTC obligations under this Agreement. Any such University employees or volunteers shall report to and be responsible to the General Manager in connection with the performance of their duties at the Station.

(i) Shared Services. Each party shall make its studios available to the other for the production or broadcast of programs when the studio is not otherwise in use or committed for use. The requesting party shall reimburse the party providing the studio for any out-of-pocket costs incurred, including overtime salary, utilities, etc. With prior coordination and consent of the University, GPTC may use the University's uplink/production truck for remote broadcasts upon reimbursing the University for the costs associated with such use and such other compensation as the parties may agree upon.

(j) Station Call Sign. The University and GPTC recognize the strength of the UGA brand and desire for the Station to share in the goodwill of the UGA brand. Therefore, the University, with the cooperation and consent of GPTC, may determine that the purposes of this Agreement are best served by changing the Station call sign to "WUGA-TV" and the parties shall cooperate in the required FCC procedures to effectuate such call sign change to become effective on or after the Commencement Date. In recognition of GPTC's existing use of the

WUGA(FM) call sign, the University's right to use the call sign "WUGA-TV" shall terminate (x) upon the sale of the Station, (y) if the University changes the FCC license from a noncommercial educational license to any other type of FCC license, or (z) if the University materially changes the format of the Station or uses any multicast channel of the Station for programming or other content that is not compatible with the programming broadcast by GPTC's public television stations or will adversely affect the reputation or public image of GPTC by virtue of viewer misconception that the Station is part of the GPTC public television network, unless GPTC agrees to extend the University's use of the call sign. Other than for the specific uses described in this section, nothing in this Agreement shall be construed as granting ownership, license, and/or rights to the logos, indicia, and/or registered trademarks of the University, consistent with section 5(d) herein.

(k) Compensation. The University shall pay GPTC an annual Management Services fee of 5% of the operating expenses of the Station for GPTC's efforts in managing the Station; *provided, however,* that the annual Management Services fee paid to GPTC shall be a minimum of \$30,000. For purposes of calculating the fee in this subsection, operating expenses shall mean the operating expenses set forth in the Station budget pursuant to Section 1(f), exclusive of equipment/capital expenses and other one-time expenses not included in the Station budget. The fee shall be paid in two installments on or before June 30<sup>th</sup> and on or before the last University working day of the calendar year.

## 2. COMMENCEMENT DATE and TERM OF AGREEMENT

(a) Commencement Date. GPTC's rights and obligations under this Agreement shall commence on the Commencement Date, which shall be a date agreed to by the parties after (i) the University has become the licensee of the Station; (ii) the Station's FCC license is modified to become a noncommercial educational license, and (iii) the parties have agreed on a budget for the current fiscal year.

(b) Term. This Agreement is an intergovernmental contract pursuant to Ga. Const. 1983, Art. IX, Sec. III, Para. I(a), and shall become effective upon its execution by the parties and, unless otherwise terminated in accordance with the provisions of this Agreement, shall continue in effect for a term of five years commencing on the Commencement Date ("Initial Term"). The Agreement shall automatically renew at the end of the Initial Term for a term of five years (the "Renewal Term"), and at the end of each subsequent Renewal Term, unless either party terminates this Agreement in accordance with Section 3.

## 3. TERMINATION

In addition to other provisions of this Agreement giving a party the right to terminate this Agreement and such rights and remedies as it may have at law or in equity.

(a) the University may terminate this Agreement:

(i) on thirty (30) days written notice, if, in the reasonable good faith discretion of the University, the Station is operated by GPTC in a manner contrary to the best interests

of the University, the public interest, convenience and necessity, FCC rules and regulations, the Communications Act of 1934, as amended, or other applicable law after the University gives GPTC notice of the conduct it believes is contrary to the best interests of the University, the public interest, convenience and necessity, FCC rules and regulations, the Communications Act of 1934, as amended, or other applicable law and the parties, after good faith negotiations, cannot resolve the matter within ten (10) days after the University gives notice to GPTC. Unless otherwise agreed by the parties, the ten day period to resolve the matters giving rise to the termination shall run concurrently with the thirty day period; or

(ii) if GPTC otherwise breaches its obligations under this Agreement, and GPTC fails to cure such breach within thirty (30) days of receipt of written notice from the University, *provided, however*, that at the end of such thirty day period, if GPTC is acting in a commercially reasonable manner to cure such breach, then such period shall be extended for a period of up to ninety (90) days as long as GPTC continues to take commercially reasonable actions to cure such breach until it is cured; or

(iii) for convenience, upon one hundred eighty (180) days written notice to GPTC;

(b) GPTC may terminate this Agreement:

(i) if the University breaches its obligations under this Agreement, and the University fails to cure such breach within thirty (30) days of receipt of written notice from the GPTC, *provided, however*, that at the end of such thirty (30) day period, if the University is acting in a commercially reasonable manner to cure such breach, then such period shall be extended for a period of up to ninety (90) days as long as the University continues to take commercially reasonable actions to cure such breach until it is cured; or

(ii) on thirty (30) days written notice, if, in the reasonable good faith judgment of GPTC, the University frustrates or impedes GPTC's ability to fulfill its obligations or exercise its rights under this Agreement, after GPTC gives the University notice of the conduct it believes frustrates or impedes GPTC's ability to fulfill its obligations or exercise its rights under this Agreement and the parties, after good faith negotiations, cannot resolve the matter within ten (10) days after GPTC gives notice to the University. Unless otherwise agreed by the parties, the ten day period to resolve the matters giving rise to the termination shall run concurrently with the thirty day period.; or

(iii) if the University breaches its obligations under the 1986 Cooperation Agreement as amended or otherwise acts in a manner that impedes GPTC's ability to exercise its obligations as the licensee of WUGA(FM), and the University fails to cure such breach within thirty (30) days of receipt of written notice from the GPTC, *provided, however*, that at the end of such thirty (30) day period, if the University is acting in a prompt and effective manner to cure such breach, then such period shall be extended for a

period of up to ninety (90) days as long as the University continues to take such prompt and effective actions necessary to cure such breach until it is cured; or

(iv) for convenience, upon one hundred eighty (180) days written notice to the University.

(c) Upon termination of this Agreement, the University shall assume complete responsibility for the Station, including, but not limited to, the programming of the Station. Each party shall be relieved of all obligations under this Agreement with respect to the Station as of the effective date of termination, including GPTC's obligation to provide any Programming, except for unsatisfied obligations incurred prior to the effective date of the termination; the obligation to provide a final accounting pursuant to Section 7 hereof; and the obligation to cooperate reasonably to wind up the performance of GPTC's obligations and rights under this Agreement in an orderly fashion, except that, where the Agreement is terminated for convenience, the wind up shall occur during the one hundred eighty (180) day notice period.

#### 4. FUNDRAISING AND GRANTS

##### (a) Underwriting.

(i) Unless otherwise agreed by the parties, GPTC shall be responsible for soliciting underwriting from corporations, other businesses and foundations for the Programming and for national and state-wide joint underwriting for the Station, WUGA(FM) and the website. Any underwriting revenue, net of commissions, obtained by GPTC by virtue of the addition of the Station, WUGA(FM), or the website to the GPTC stations and website shall be allocated by the University between the Station and WUGA(FM), and the Station allocation shall be applied to the Station's budget, except that for the first budget, if the total revenue, net of commissions, exceeds the budgeted amount by more than 10%, the excess revenue shall be divided equally between GPTC and the University. For each annual budget after the first budget the parties may negotiate a change in the allocation of excess total revenue, otherwise the first budget allocation shall be applied. The University shall retain the right to solicit underwriting revenue for WUGA(FM), except for the underwriting availabilities on WUGA(FM) that the parties have agreed shall be available to GPTC. No underwriting revenue associated solely with WUGA(FM) or allocated to WUGA(FM) pursuant to this subsection shall be applied to the Station budget.

(ii) Unless otherwise agreed by the parties, the University may, after consultation with GPTC, solicit local underwriting support from local corporations, other local businesses, and foundations located in the Station's coverage area, as depicted in the coverage map attached in Schedule 4(a)(ii), including Athens, Gainesville, and Toccoa, Georgia ("Local Underwriting"), for the Programming, its Original Programming and associated costs, the University's costs associated with the Station, with WUGA(FM), and with the website. Notwithstanding the generality of the foregoing, the University shall not solicit Local Underwriting that would adversely affect GPTC's current or future



underwriting program, including but not limited to statewide underwriters, or adversely affect GPTC's underwriting revenue from any corporation, business or foundation with whom GPTC has an established or prospective relationship. By way of example, any revenue derived by the University for Local Underwriting from common underwriting clients with GPB must be incremental revenue above and beyond GPTC's current revenue from such underwriter. The General Manager shall meet periodically at GPTC's request with GPTC's Executive Director or designee to ensure that the University's Local Underwriting is not adversely affecting (and will not adversely affect) GPTC's existing and future underwriting program and current and prospective GPTC underwriters.

(iii) The following entities shall be deemed statewide underwriters for the purpose of the preceding paragraph and may not be solicited by the University: Hogan Builders Inc.; North Georgia College & State University; Alpine Helen/White County CVB; Sautee Nacoochee Center; and Folk Pottery Museum. Moreover, the University and GPTC have agreed that the University may solicit underwriting from the Georgia Lottery Corporation, consistent with this Section 4(a).

(b) On-air fundraising. The University shall not engage in any on-air fundraising activities on the Station without the consent of GPTC, which may be granted or withheld at its sole discretion.

(c) Joint Membership Campaigns. Upon mutual agreement as to the nature, scope, type and other matters, GPTC and the University may conduct joint membership campaigns for fundraising purposes, provided that such campaigns do not interfere or impede GPTC fundraising efforts. The net income derived from such campaigns shall be divided equally between the parties, unless the parties agree otherwise in advance of the campaign. To the extent the parties agree, the University shall make available certain University donor information to facilitate such joint membership campaigns. Nothing in this provision shall obligate GPTC to engage in such joint fundraising activities.

(d) Off-air Fundraising. The University may approach its own University donors and University alumni for support for the Station. All such Station donations solicited by the University shall be used for the benefit of the Station.

(e) Grants. The University and GPTC will cooperate in applying for grants and awards (hereinafter collectively referred to as "grants") for the use or benefit of the Station, including, but not limited to, grants from the Corporation for Public Broadcasting ("CPB"), the Public Telecommunications Facilities Program ("PTFP"), and any other grants applied for or received in the name of the University and intended for the use and benefit of the Station. Unless the costs of preparing any required application or request for a grant is included in the Station budget, the University shall bear the costs of any such application or request. The University as licensee shall prepare all such applications or other documentation required by such grants, with assistance and advice from GPTC, and shall file such grant requests, unless the parties agree otherwise. Prior to the filing of any such grant request, the parties shall agree as to which party shall assume primary responsibility for complying with the terms and conditions of

such grants, including, but not limited to, which party will serve as fiscal agent for any grants and which party will cover the administrative costs, such as audits or financial reports, required by such grants. GPTC shall not be obligated to incur any costs associated with any grant application or request or with fulfilling the obligations imposed if such grant is awarded.

5. INSTITUTIONAL COOPERATION AND MEDIA PROMOTION

(a) Identification of Licensee. GPTC will broadcast station identification announcements that comply with the FCC's rules at the beginning and end of each day of operation and on the hour while the Station is on the air. GPTC will identify the University as the Station's licensee during each on-air identification, and, as feasible, in marketing or promotional materials that refer to the Station. GPTC shall not hold itself out as or represent that it is the licensee of the Station. From time to time, the parties shall develop mutually acceptable means of identifying, consistent with FCC requirements, the role of each to be aired on the Station.

(b) On-Air Announcements About Licensee. GPTC understands that, in addition to FCC-required station identification announcements, the University would like to use the Station as a means of providing information about the University and its educational programs and opportunities in order to promote the goodwill generated from the operation of the Station. GPTC will work with the University in good faith to develop a program for the broadcast of such announcements that furthers the University's objectives and which are consistent with the program schedule developed for the Station. All such announcements shall comply with FCC requirements and GPTC's internal underwriting guidelines.

(c) Co-productions, Events and Performances. The University and GPTC will explore, in good faith, opportunities to co-produce, co-present and co-promote events and performances for the general public and for Station donors in Toccoa, Georgia, Athens, Georgia, Gainesville, Georgia, in the Station's entire service area, and throughout the State of Georgia, utilizing the facilities of the Station on the University campus or other suitable venues. The University and GPTC will also explore other opportunities that would provide mutual benefit to both parties, including, but not limited to, marketing, academics and promotions. For the avoidance of doubt, nothing in this section shall obligate either GPTC or the University to undertake such events or performances nor will the presentation of any such event(s) or performance(s) constitute a commitment to present others.

(d) Intellectual Property Rights. Nothing in this Agreement shall constitute the sale, transfer, assignment or license of any intellectual property rights held by either party to the other, except to the extent that (a) GPTC grants in this Agreement the University the right to use WUGA-TV as the call sign for the Station pursuant to Section 1(j) of this Agreement, and (b) the parties agree to engage in marketing, promotional, or entertainment activities jointly.

(e) Internships and Academic Support. In order to further the educational missions of the University and GPTC, GPTC agrees to offer one or more internships, including, but not limited to, broadcasting or media internships, at the Station and at GPTC's headquarters, the

number to be determined by the parties in advance of each academic semester and summer term, for University students during the Term of this Agreement. The University will provide, at its expense, an Academic Coordinator to supervise student involvement in the Station. Any costs associated with these internships, including, but not limited to, compensation, shall be borne by the University.

6. REPRESENTATIONS AND WARRANTIES

(a) By GPTC. GPTC represents and warrants that (i) it has the power and authority to enter into this Agreement and to fulfill the obligations assumed under it (ii) all requisite resolutions and other authorizations necessary for the execution, delivery, performance and satisfaction of this Agreement have been duly adopted and complied with; and (iii) the individual executing this Agreement is authorized and has the power to execute it and to bind GPTC.

(b) By the University. The University represents and warrants that (i) to the best of its information, knowledge and belief, there are no impediments to its acquiring the FCC license for the Station or to modify the current license from a commercial to a noncommercial educational license, (ii) has the power and authority to enter into this Agreement and to fulfill the obligations assumed under it, (iii) all requisite resolutions and other authorizations necessary for the execution, delivery, performance and satisfaction of this Agreement have been duly adopted and complied with; and (iii) the individual executing this Agreement is authorized and has the power to execute it and to bind the University.

7. RECORDS/ACCOUNTING

(a) GPTC shall keep full and adequate financial and accounting records of the Station's activities and make such records, including, but not limited to, bank records, ledgers, accounts, journals, and audits, available for inspection by representatives of the University upon reasonable prior written notice. Such books and records shall be maintained in accordance with the accounting rules applicable to GPTC established by the State Auditor. Within thirty (30) days after the end of each quarter or after a reasonable request by the University in conjunction with periodic campus accounting (including fiscal year end accounting), GPTC shall provide the University with a financial report, in a form reasonably acceptable to the University, that accounts for all revenues and expenses attributable to the Station. GPTC shall cause the operations and records of the Station to be audited annually by an independent certified public accountant or Department of Auditing and Accounting of the State of Georgia. GPTC shall also cooperate with the University's auditor as part of the University's periodic audit, as may be reasonably requested by the University and its auditor, including permitting ordinary audit procedures to be followed involving the books and records of GPTC relating to the Station.

(b) The University shall keep full and adequate financial and accounting records of its activities in connection with the Station, and make such records, including, but not limited to, bank records, ledgers, accounts, journals, and audits, available for inspection by representatives of GPTC upon reasonable prior written notice. Such books and records shall be maintained in accordance with the accounting rules applicable to the University established by the State

Auditor. Within thirty (30) days after the end of each quarter or after a reasonable request by GPTC in conjunction with periodic accounting by the State (including fiscal year end accounting), the University shall provide GPTC with a financial report, in a form reasonably acceptable to GPTC, that accounts for all revenues obtained and expenses incurred by the University in connection with its Station activities. The University shall cause the operations and records of the Station to be audited annually by an independent certified public accountant or Department of Auditing and Accounting of the State of Georgia. The University's designated auditor shall be trained to use the PeopleSoft Financials system. The University shall also cooperate with GPTC's auditor as part of any periodic audit of GPTC, as may be reasonably requested by GPTC and its auditor, including permitting ordinary audit procedures to be followed involving the books and records of the University with respect to the Station.

8. MANAGER OF STATION. During the term of this Agreement and subject to its terms and conditions, GPTC is authorized to hold itself out as the manager and operator of the Station.

9. LICENSE MAINTENANCE. The University, as FCC licensee of the Station, has the ultimate responsibility with respect to all activities in connection with FCC license renewals, applications for facility changes and such other filings and reports as may be required by the FCC. GPTC agrees to assist and advise the University in all such activities and to prepare all necessary documents, filings and reports for the timely review and approval by the University in consultation with the University's own legal counsel. Each party will promptly notify the other in the event of a viewer or listener complaint concerning the operation of the Station or the programming broadcast on the Station which, in the party's reasonable judgment raises a serious question concerning compliance with the Communications Act or any FCC rule or policy or other violation of law. In the event that the FCC or other governmental body initiates an investigation or inquiry concerning the Station, both parties shall cooperate in good faith with each other to respond in an orderly and timely fashion to the FCC, or other governmental body to resolve the matter in a manner that will not have a material adverse effect on either party or the Station.

10. RESPONSIBILITY OF FCC LICENSEE.

(a) Generally. The University and GPTC acknowledge and agree that the operation of the Station in compliance with all laws, rules, policies and regulations of the FCC is the ultimate responsibility of the University. Notwithstanding anything in this Agreement to the contrary, the University shall retain and exercise ultimate oversight and control of the operation of the Station. Without limiting the foregoing, the University shall have the right: (i) to promulgate basic Station policies regarding personnel (but only to the extent such personnel are working on matters relating to the Station), finances and programming; (ii) to direct the day-to-day activities of the University's employees working at the Station; (iii) to inspect the Station's facilities at any time during operation; (iv) to consult with Station management, review FCC-required operating and maintenance records and procedures, and investigate operational complaints; and (v) to require written reports, in addition to the financial reports described above, no less often than on a yearly basis, including but not limited to a summary of the Station's programming service, and personnel actions (including EEO compliance). For



purposes of clarity, the University shall not have oversight or control of GPTC's employees generally, but only to the extent that those employees are working on matters relating to the Station within the scope of this Agreement. The Chief Financial Officer of GPTC shall be responsible for reporting to the University officer(s) designated by the University.

(b) Preemption or Rejecting Programs. The University shall have the right, upon giving GPTC such notice as may be reasonable, to preempt or reject any program GPTC schedules to be broadcast on the Station on the grounds that the program is unsuitable for the Station's audience, does not serve the public interest or that another program will better serve the needs and interests of Station's audience, *provided, however*, that the University shall specify in detail its reasons for preempting the program and shall negotiate with GPTC in an effort to allow the GPTC program to be broadcast.

11. DISPUTE RESOLUTION. Subject to the termination provisions in Section 3, in the event that the representatives of each party with direct responsibility for any matter which this Agreement requires to be resolved by negotiation are unable to reach a resolution within a reasonable period of time, not to exceed sixty (60) days, either representative may escalate the matter to the representatives' direct supervisors, who shall meet together promptly to resolve the matter in a mutually satisfactory manner. If they are unable to do so, the matter shall be escalated to the Executive Director of the GPTC and University's Senior Vice-President for External Affairs to resolve the matter. If they are unable to do so, either party may terminate this Agreement for convenience on such notice as they deem appropriate, but not less than sixty (60) days.

12. DEFENSE OF CLAIMS. GPTC and the University shall be responsible to the other for any liabilities that may arise out any claim, law suit, proceeding, FCC investigation, or other claim (collectively "claim") brought against the other as a result of the programming provided by that party for broadcast on the Station. Promptly after receipt by GPTC or the University of a notice of the intent to, or the commencement of any action, suit, proceeding or investigation in respect of which a claim may be made hereunder, the party receiving the notice shall give written notice thereof to the other; but the failure to so notify will not relieve the party whose programming is the basis of the claim from the obligation to assume the costs of defending the other party. The parties shall cooperate in all reasonable respects with each other in the investigation, trial and defense of such claim and any appeal arising therefrom. Pursuant to Article V, Paragraph 4 of the 1983 Constitution, the Attorney General for the State of Georgia shall be the sole legal counsel for parties in any action hereunder. Any settlement of an action hereunder must be approved by the Attorney General.

13. NOTICES. Any written notice to any party required or permitted under this Agreement shall be deemed to have been duly given on the date of personal service on or on the date of receipt by the party to whom notice is to be given, and shall be addressed to the addressee at the address stated below, or at the most recent address specified by written notice under this provision.

If to the University:

The University of Georgia  
Administration Building  
Athens, Georgia 30602-1681  
Attn: Tom S. Landrum, Senior Vice President for External Affairs  
Phone: 706-542-2002  
Email: tlandrum@uga.edu

If to GPTC:

Georgia Public Telecommunications Commission  
260 14<sup>th</sup> St. NW  
Atlanta, Georgia 30318  
Attn: Teya Ryan, Executive Director  
Phone: 404-685-2415  
Email: tryan@gpb.org

14. SEVERABILITY

If any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Agreement,

provided that such remaining portions or provisions can be construed in substance to constitute the agreement that the parties intended to enter into in the first instance.

15. BINDING ON SUCCESSORS

This Agreement may not be assigned by either party without the other party's consent, which may be given or withheld in its sole discretion. Any attempted assignment without such consent shall be cause for immediate termination of the Agreement by the other party.

16. COMPLETE AGREEMENT

This Agreement contains the entire agreement of the parties with respect to the management and operation of the Station during the Term. This Agreement shall not be modified or amended except by agreement in writing duly executed by the parties hereto.

17. GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the State of Georgia.

18. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, but which taken together shall constitute one agreement.

[Signatures are on the next page]

IN WITNESS WHEREOF, the parties to this Agreement have duly executed this Agreement as of the first date set forth above.

THE UNIVERSITY OF GEORGIA (UNIVERSITY)

By: Michael F. Adams  
Title: President

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION

By: Danya Ryan  
Title: President



## **SCHEDULE 1(f)**

### **Station Budget**

Fiscal Year 2010

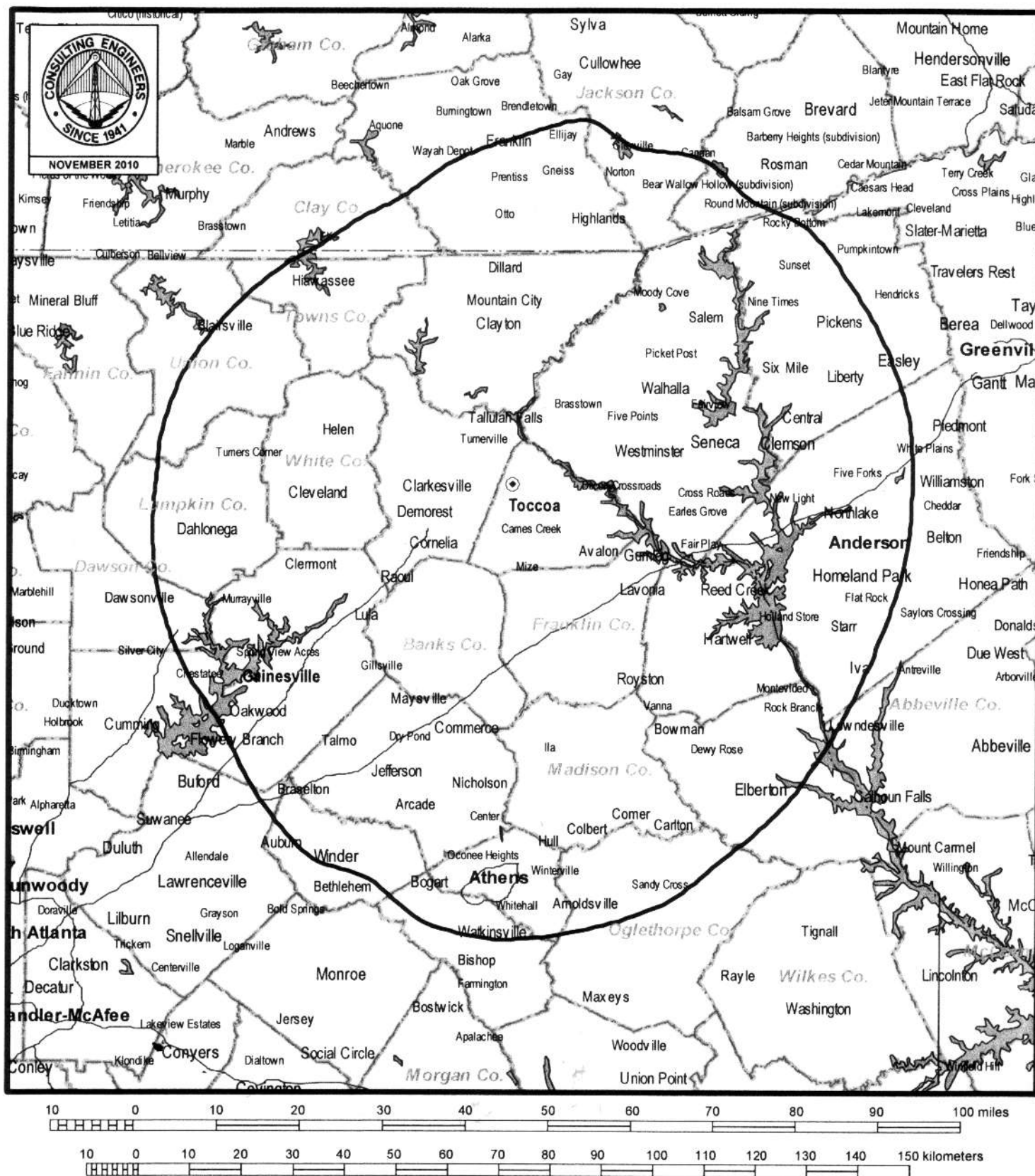
See attached Station Budget.

#### **Mechanics and Billing/Payment for Station Budget**

- a. The periods referred to are UGA's fiscal quarters.
- b. At the Commencement Date, GPTC will issue to UGA an invoice for 1/4<sup>th</sup> of the annual UGA/GPTC TV station budget. UGA will deposit this amount with GPTC unless the first period does not coincide with the first day of a fiscal quarter; otherwise, the amount for the 1<sup>st</sup> deposit will be prorated for the time remaining in that fiscal quarter after the Commencement Date.
- c. After the Commencement Date, GPTC will issue to UGA within 30 days of the start of the subsequent quarter, a quarterly invoice equal to 1/4<sup>th</sup> of the annual budget. UGA will deposit this amount with GPTC.
- d. GPTC shall direct the Chief Accountant to provide UGA with an actual to budget comparison of the revenues and expenses for the Station on a monthly basis within 30 days of the end of each month along with any requested supporting documentation. This comparison should identify any year-to-date deficits or excesses to provide interim reporting or identification prior to the annual reconciliation noted in Section 1(e) of the Agreement.
- e. Within 30 days after the end of the fourth quarter of the fiscal year, annual budget to actual reporting will be reviewed and reconciled and any budget deficit will be paid by UGA to GPTC and any budget excess will be returned by GPTC to UGA.
- f. With regard to the start-up expenses identified on the first year budget, UGA and GPTC will mutually agree with regard to how these start-up expenses are paid and add the start-up expenses to the attached Station Budget in this Schedule 1(f) to establish general expectation of which parties are responsible for purchase, payment, etc. of the start-up expenses.

**SCHEDULE 4(a)(ii)**

Map of Coverage Area for Local Underwriting



## FCC PREDICTED NOISE-LIMITED COVERAGE CONTOUR

DTV STATION WNEG  
 TOCCOA, GEORGIA  
 CH 24 240 KW (MAX-DA) 235 M  
 du Treil, Lundin & Rackley, Inc. Sarasota, Florida

# **WUGA-TV FY 2011 OPERATING BUDGET**

	Total Budget	Administration Budget	Production Budget	Programming Budget	Sales Budget	Technical Budget
<b>PERSONAL SERVICES</b>						
Salaries	\$ 268,200	\$ -	\$ 23,200	\$ 118,000	\$ 30,000	\$ 99,000
Benefits	93,870	-	8,120	40,600	10,500	34,650
<b>Total Personal Services</b>	<b>\$ 362,070</b>	<b>\$ -</b>	<b>\$ 31,320</b>	<b>\$ 158,600</b>	<b>\$ 40,500</b>	<b>\$ 133,650</b>
<b>OPERATING REVENUES</b>						
Underwriting - Local	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
<b>Total Operating Revenues</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ -</b>
<b>OPERATING EXPENSES</b>						
Contingency / Miscellaneous	22,000	2,000	-	-	-	20,000
Copy Right Fees	-	-	-	-	-	-
ASCAP	4,500	-	-	4,500	-	-
BMI	4,020	-	-	4,020	-	-
SESAC	600	-	-	600	-	-
Management Services	30,000	30,000	-	-	-	-
Office Supplies	3,000	3,000	-	-	-	-
Outside Service - Engineer	18,000	-	-	-	-	18,000
Postage/Shipping	1,500	1,500	-	-	-	-
Production Services	24,000	-	24,000	-	-	-
Programming Costs (% PBS)	20,000	-	-	20,000	-	-
Rental - STL Tower - Pendergrass	24,000	-	-	-	-	24,000
Rental - Transmission Tower Site - Toccoa	3,340	-	-	-	-	3,340
Repairs & Maintenance	27,200	1,000	-	-	-	26,200
Telephone Service	-	-	-	-	-	-
Regular	7,460	5,800	-	-	-	1,660
Cellular	3,000	1,000	-	-	-	1,000
Transmission Expense - GPW	1,800	-	1,000	-	-	1,800
Travel & Lodging	2,500	1,000	500	-	-	1,000
Utilities - Antennae Site	37,200	-	-	-	-	37,200
Vehicle Expenses	3,000	-	1,000	-	-	2,000
<b>Total Operating Expenses</b>	<b>\$ 237,120</b>	<b>\$ 45,100</b>	<b>\$ 26,500</b>	<b>\$ 29,120</b>	<b>\$ -</b>	<b>\$ 136,400</b>
<b>ANNUAL NET OPERATING EXPENSES</b>	<b>\$ 559,190</b>	<b>\$ 45,100</b>	<b>\$ 57,820</b>	<b>\$ 185,720</b>	<b>\$ 500</b>	<b>\$ 270,050</b>
<b>CAPITAL EXPENSES</b>						
Capital (Equipment) Expenses	40,000	-	-	-	-	40,000
<b>ANNUAL CAPITAL EXPENSES</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,000</b>
<b>ANNUAL NET OPERATING &amp; CAPITAL EXPENSES</b>	<b>\$ 599,190</b>	<b>\$ 45,100</b>	<b>\$ 57,820</b>	<b>\$ 185,720</b>	<b>\$ 500</b>	<b>\$ 310,050</b>



# WUGA-TV FY 2011 OPERATING BUDGET

	Total Budget	Administration Budget	Production Budget	Programming Budget	Sales Budget	Technical Budget
<b>DETAIL OF POSITIONS</b>						
1 General Manager	\$ -	UGA expense	\$ -	\$ -	\$ -	\$ -
2 Accountant	-	UGA expense	-	-	-	-
3 Chief Engineer	70,000	-	-	-	-	70,000
4 Secondary Engineer	29,000	-	-	-	-	29,000
5 Traffic Manager	33,000	-	-	33,000	-	-
6 Production Tech	23,200	-	23,200	-	-	-
7 Underwriting Sales Rep	30,000	-	-	-	30,000	-
8 Master Control Operator	38,000	-	-	38,000	-	-
9 News Director	45,000	-	-	45,000	-	-
Total Gross Salaries	\$ 268,200	\$ -	\$ 23,200	\$ 116,000	\$ 30,000	\$ 99,000
Fringe Benefits @ 35%	93,870	-	8,120	40,800	10,500	34,650
Total Personal Services	\$ 362,070	\$ -	\$ 31,320	\$ 156,800	\$ 40,500	\$ 133,650
<b>START-UP COSTS</b>						
Branding Package	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ -	\$ -
Capital Expenses - GPW	2,500	-	-	-	-	2,500
EAS CAP Protocol - FCC compliance	5,000	-	-	-	-	5,000
Encoder for Closed Captioning	8,000	-	-	-	-	8,000
Fiber (microwave xmitter) WNEG to Caldwell	1,300	-	-	-	-	1,300
Fully Redundant System at GPB station	76,800	-	-	-	-	76,800
Goldeneagle ATSC - GPB monitoring of WNEG	13,500	-	-	-	-	13,500
HD (2) DTV Encoders (Broadcast in High Def)	50,000	-	-	-	-	50,000
HD Graphics Branding Equipment	25,000	-	-	-	-	25,000
Master Control Change Over Switch	4,500	-	-	-	-	4,500
Legal/Professional Fees	30,000	30,000	-	-	-	-
OTR Air Monitoring System	10,000	-	-	-	-	10,000
System Interface & Installation Contingency	35,000	-	-	-	-	35,000
Tower Structural Evaluation	2,500	-	-	-	-	2,500
Subtotal Start-Up Costs	\$ 354,100	\$ 30,000	\$ 90,000	\$ -	\$ -	\$ 234,100
TOTAL EXPENSES - FIRST YEAR	\$ 953,290	\$ 75,100	\$ 147,820	\$ 186,720	\$ 500	\$ 544,150