

PUBLIC SERVICE OPERATING AGREEMENT

For the Operation of KAUR FM, Sioux Falls, South Dakota

THIS PUBLIC SERVICE OPERATING AGREEMENT ("**Agreement**") is made as of September 1, 2009, by and between Minnesota Public Radio, a nonprofit corporation ("**MPR**"), and Augustana College Association, a nonprofit corporation ("**Licensee**").

Recitals

A. Licensee operates Augustana College, an institution of post-secondary education. Among the educational activities that Licensee pursues is the ownership and operation of noncommercial educational radio broadcast station KAUR FM ("**KAUR**" or "**the Station**"), licensed to Licensee by the Federal Communications Commission ("**FCC**").

B. MPR is a nonprofit community corporation, organized to provide public radio services in the Upper Midwest. MPR produces a news and information service ("**NIS**" or "**the Programs**"), which it broadcasts on a network of radio stations.

C. Licensee and MPR desire to develop jointly the potential of KAUR as a public radio station by broadcasting the Programs on the Station. The Programs include Upper Midwest and national news and information programming.

D. Licensee will maintain, during the term of this Agreement, ultimate control over KAUR, including control over the Station's finances, personnel, and programming.

Agreement

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and intending to be legally bound hereby, Licensee and MPR agree as follows:

1. Term and Renewal.

1.1 This Agreement shall begin upon signing and continue until August 31, 2010 (the "**Initial Term**").

1.2 Renewal. This Agreement shall renew for successive one year periods, unless and until either party has given to the other party at least six months' notice of the noticing party's desire to terminate this Agreement. (the "**Subsequent Terms**"). The Initial Term and the Subsequent Terms, taken together, shall be "**the Term**".

2. Use of Airtime.

2.1 The parties will work diligently to begin broadcasting the Programs on the Station. The parties anticipate that broadcasting the Programs will begin in September, 2009. MPR will pay directly or reimburse Licensee for such costs as may be incurred in distributing the Programs to the Station.

2.2 During the Term, Licensee shall make available broadcast time on KAUR for 168 hours per week, except for: (i) downtime occasioned by routine maintenance consistent with prior practice and upon 48 hours prior notice to MPR; (ii) times when MPR's programs are not accepted or are preempted by Licensee in accordance with this Agreement; and (iii) times when KAUR is not broadcasting because of Force Majeure Events (as defined below). Such broadcast time shall include all spectrum at the licensed 89.1 FM frequency, including all subcarrier channels and all digital and high definition signals and channels associated with the frequency.

2.3 MPR will broadcast its NIS on KAUR's primary channel. MPR shall obtain Licensee's written consent prior to use of any portion of the subcarrier channels or digital or HD multicast signals or channels for content other than the programming simultaneously broadcast on the primary channel on the 89.1 FM frequency. Such consent shall not be unreasonably withheld, conditioned or delayed, provided that (a) MPR provides Licensee reasonable advance notice of such proposed use, including without limitation a complete description of the proposed use and related content, and (b) such use shall be identified with KAUR and with Licensee in such manner as is consistent with FCC Requirements (as such term is hereinafter defined).

2.4 Neither MPR nor Licensee shall be obligated to invest in the equipment necessary for KAUR to broadcast in HD multicast radio. If, during the Term of this Agreement, KAUR broadcasts in HD multicast radio and more than one multicast channel (in addition to the primary channel) is available for broadcast purposes, Licensee shall have access to a mutually-agreed-upon multicast channel for broadcast of mutually-agreed-upon athletic events ("**Athletic Programs**"). All Athletic Programs shall be produced by Licensee. MPR shall have no production, financial or other responsibility for the Athletic Programs. So long as such use is consistent with Section 2.3 above, MPR will otherwise have use of this multicast channel, subject to this Agreement.

3. Broadcast Obligations.

3.1 MPR acknowledges and agrees that Licensee is and shall remain responsible for operating KAUR in the public interest and ultimately controlling the day-to-day operations of KAUR as required by its FCC licenses, permits and authorizations. During the Term, MPR will provide programming (a) under the supervision and control of Licensee, (b) in compliance with the terms and conditions of this Agreement, and (c) in full compliance with all applicable laws, rules and regulations.

3.2 During the Term, unless otherwise mutually agreed to by the parties, Licensee shall maintain the operating power of KAUR in accordance with its FCC License and shall operate and maintain in normal working condition (ordinary wear and tear excepted) KAUR's transmission facilities.

3.3 During the Term, Licensee shall also, to the extent that is necessary to fulfill its obligations according to FCC Requirements (as defined in Section 3.3 (e) below), with respect to KAUR:

(a) employ two employees (one of whom shall be a managerial level employee, referred to herein as the "**Director**"), as required by FCC Requirements. These employees will report to and be accountable to the Licensee;

(b) retain ultimate control over the operation of KAUR;

(c) maintain a Main Studio consistent with FCC Requirements and during normal business hours;

(d) oversee the maintenance of KAUR's technical logs and its political and public inspection files; and

(e) comply with all other FCC Requirements that may be applicable to the ownership or operation of KAUR, including license renewals. For purposes of this Agreement, "**FCC Requirements**" shall mean (i) the Communications Act of 1934, as amended or superseded during the term hereof; (ii) all rules, regulations and standards promulgated thereunder by the FCC or any successor or replacement agency of the federal government performing similar regulatory functions; and (iii) all orders, decisions and other final determinations thereunder by the FCC or any successor, replacement or other applicable governmental authority.

3.4 During the Term, MPR shall not take any action, or omit to take any action, inconsistent with Licensee's obligations under the FCC Requirements to retain ultimate responsibility for the programming and technical operations of KAUR. Whenever at the Main Studio or otherwise on KAUR's premises, subject to Section 5.5(a), all of MPR's personnel shall be subject to the ultimate supervision and direction of the Director. Without limiting the generality of the foregoing, MPR agrees as follows:

(a) All programming shall conform in all material respects to all applicable provisions of the FCC Requirements and all other laws or regulations applicable to the broadcast of programming by KAUR. Neither MPR nor any of its agents or employees will take any action, or fail or refuse to take any action, that would cause KAUR to be out of compliance with all applicable FCC Requirements;

(b) MPR, on behalf of Licensee, shall furnish or insert within the programming all station identification announcements as required by the FCC Requirements and shall, upon request by Licensee, provide to Licensee (i) information about programming that is responsive to the public needs and interests of the area served by KAUR, so as to assist Licensee in the preparation of any required programming reports, and (ii) other information to enable Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies;

(c) Payola. MPR shall provide to Licensee in advance any information known to MPR regarding any money or other consideration that has been paid or

accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming to be supplied to Licensee by MPR for broadcast on KAUR, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with the FCC Requirements. Programming with obvious sponsorship identification will not require disclosure beyond the sponsorship identification contained in the copy. MPR shall at all times endeavor to proceed in good faith to comply with the requirements of Sections 317 and 507 of the Communications Act and the related rules and policies.

(d) MPR shall provide Licensee with the original or a copy of all correspondence, payments, communications or other information and/or documents that it receives to enable Licensee to comply with the FCC Requirements, including the maintenance of the public inspection file. Licensee shall not be required to receive or handle mail, facsimiles, e-mails or telephone calls in connection with the programming unless Licensee has agreed to do so in writing. Licensee shall promptly forward to MPR all correspondence, payments, communications or other information and/or documents that it receives and that relate to the programming, including without limitation, invoices, billing inquiries, checks, money orders, wire transfers or other payments for services.

4. Revenues; Solicitation.

4.1 MPR shall be responsible for all revenues generated from or with respect to KAUR during the Term.

4.2 Membership Revenues. MPR shall be entitled to solicit contributions from listeners to the Station and from others, either on air or by other means.

4.3 Underwriting Revenues. MPR shall be entitled to solicit underwriting support for the Programs and shall be entitled to collect all receivables arising therefrom. Licensee will provide to MPR all underwriting revenue it may receive for KAUR during the Term, except for underwriting revenue that it may receive to support its activities pursuant to paragraph 2.4.

4.4 Funds received by MPR may be used by MPR for any of its activities.

4.5 MPR will make commercially reasonable efforts to assure that any reference to KAUR or to Licensee in MPR's fundraising solicitations makes clear that the gift that is being solicited is for MPR, although such solicitation may refer to the programming service of MPR that is broadcast by Licensee on KAUR.

5. Operation; Ownership and Control of KAUR; Complaints; Cooperation; Studio Facilities; Training Activities.

5.1 Control Vested in Licensee. Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the FCC licensee of KAUR, Licensee shall have full authority, power and control over the operation of KAUR, including FCC license renewals and applications for power increases or facilities changes. Licensee will bear the responsibility for KAUR's compliance with, and shall cause KAUR to comply with, all applicable laws,

including without limitation FCC Requirements (including responsibility for any filings and reports required by the FCC).

(a) MPR will perform and assist and advise Licensee in all such activities and will prepare all necessary documents, filings and reports for Licensee in a timely manner, including without limitation those required for Licensee to satisfy its duties under Section 3 hereof.

5.2 Licensee's Right to Reject Programming. Licensee shall have the right to reject any programming, including sponsorship announcements or other material, that Licensee in its reasonable discretion deems contrary to the public interest or the FCC Requirements. Licensee reserves the right to refuse to broadcast any programming containing any matter that Licensee in its reasonable discretion believes is, or may be determined by the FCC or any court or other regulatory body with authority over Licensee or KAUR to be, violative of any third party intellectual property rights, defamatory, actionably indecent, obscene, actionably profane or otherwise in violation of law. Licensee may take any other actions necessary to ensure KAUR's operations comply with the FCC Requirements (including the prohibition on unauthorized transfers of control).

5.3 Licensee's Right to Preempt Programming for Public Interest Programming. Licensee shall have the right to preempt programming in order to broadcast a program deemed by Licensee, in its sole discretion, to be of greater national, regional or local public interest or significance, or to provide public service programming. In all such cases, Licensee will use commercially reasonable efforts to give MPR reasonable advance notice of its intention to preempt the Programming, or if advance notice is not given, shall otherwise provide a written explanation of when and why the preemption was made.

5.4 Notice of Complaints. Upon request of Licensee, MPR shall promptly provide Licensee with a copy of any letter of complaint (including without limitation all emails that contain a complaint) that MPR receives concerning any program for Licensee's review and for any other purpose required by law. Licensee shall promptly provide MPR with a copy of any letter of complaint (including without limitation all emails that contain a complaint) that it receives concerning any program.

5.5 Main Studio, Additional Studios and Offices.

(a) During the Term, Licensee shall make available to MPR for MPR's use such portion of KAUR's studios, studio equipment and offices that Licensee maintains on its own premises, as defined from time to time by the FCC's main studio rules and regulations (**the "Main Studio"**), and as may be reasonably necessary for MPR to provide the Programs and otherwise exercise its rights and perform its obligations under this Agreement, pursuant to a lease, which will bear no additional rent. Such studios and studio equipment and offices may be shared with the studios and studio equipment and offices that MPR maintains on the campus of Licensee to support its radio station KRSD. (See Appendix B)

(b) MPR shall be responsible for the repair, maintenance and replacement of all equipment that it uses that is located in Licensee's Main Studio or transmitter

site. Except as otherwise provided in this Section 5.5 (b), such equipment, repairs and replacements shall be and shall remain the property of Licensee. To the extent that MPR adds to the complement of equipment located in Licensee's Main Studio or transmitter site, such additions will remain the property of MPR.

(c) At the termination or expiration of this Agreement, MPR will assure that there is, in the Main Studio and at the transmitter site of Licensee, equipment sufficient in kind, quality and state of repair to perform the same technological broadcasting functions as Licensee was performing at the commencement of this Agreement.

(d) MPR will assure that there exists at all times at Licensee's Main Studio the ability for Licensee to originate programming to the transmitter site, and to control the transmitter.

5.6 Reimbursement of Expenses. MPR shall reimburse Licensee, or pay on Licensee's behalf, all expenses incurred by Licensee, or that would otherwise be incurred by Licensee, in the operation of the Station, as further outlined in Appendix A.

5.7 Mutual Cooperation. MPR and Licensee shall cooperate reasonably with each other as necessary to fulfill their rights and obligations hereunder.

6. Program Rights, Other Intellectual Property and Music Licenses; Confidential Information

6.1 Licensee hereby grants MPR a license to use the term "Augustana College" and Licensee's call signs and other trademarks and tradenames that are used primarily in the operation of KAUR (including but not limited to the call sign "KAUR" and "KAUR FM") in connection with the broadcast and promotion of the Programs during the Term and in connection with the domain name and content of a related website. MPR agrees to fully cooperate with Licensee's instructions and quality control procedures relating to each of Licensee's trademarks, service marks, sound marks and logos (collectively, "**Licensee Marks**") and shall only use Licensee Marks in unaltered form. MPR will cease using any materials containing any Licensee Mark immediately upon expiration or termination of this Agreement. All use of Licensee Marks by MPR shall inure to the sole benefit of Licensee.

6.2 MPR shall have no authority to sublicense the use of Licensee Marks except upon the prior written consent of Licensee.

6.3 Appendix C contains a list, which may not be complete, of known rights and other intellectual properties that are licensed to MPR for use hereunder, and for which MPR, at the termination or expiration of this Agreement, will immediately sign a release back to Licensee of all interest therein.

6.4 MPR acknowledges and agrees that it shall enter into all new programming agreements and arrangements in its own name and not in the name of the Licensee or KAUR. MPR shall not broadcast any material on KAUR in violation of the Copyright Act or the rights of any person. All music and/or programming supplied by MPR shall be (a) licensed

by a music licensing agent such as ASCAP, BMI, or SESAC, (b) in the public domain or (c) cleared at the source by MPR.

6.5 All programming and all underwriting and sponsorship announcements, collateral and other materials developed by MPR during the Term (collectively, "**Developments**") shall be the property of MPR.

6.6 Confidential Information. Except as specifically permitted under this Agreement, each party hereto agrees not to disclose to any third party any confidential information, whether in written, oral or electronic form, relating to the other party hereto or its assets, business, finances, operations, plans or prospects that it learns pursuant to this Agreement (the "**Confidential Information**") and not to use any Confidential Information for any purpose other than as expressly permitted by this Agreement, in each case unless otherwise agreed by the disclosing party ("**Disclosing Party**") in writing. Without limiting the foregoing, each party receiving ("**Receiving Party**") the Confidential Information of the Disclosing Party shall protect such Confidential Information from unauthorized use, access or disclosure in the same manner that it protects its own similar Confidential Information, but in no event less than by using a reasonable degree of care. Each Receiving Party shall be permitted to disclose the Confidential Information of the Disclosing Party to such Receiving Party's officers, directors, trustees, employees and agents with a need to know such Confidential Information provided such persons are subject to obligations of confidentiality to the Receiving Party at least as strong as those hereunder. In the event that disclosure of any Confidential Information is required by applicable law or any court or governmental agency, the relevant Receiving Party shall provide prompt written notice to the Disclosing Party of such requirement and shall use all reasonable efforts to ensure, to the extent commercially reasonable, confidential treatment of such information so disclosed.

(a) Exceptions. The following shall not be considered Confidential Information subject to the provisions of Section 6.6:

(i) Information that was available to the Receiving Party on a non-confidential basis prior to the disclosure by the Disclosing Party, as evidenced by records of the Receiving Party, provided that the source of such information is not known by the Receiving Party to be bound by a confidentiality agreement with, or under other obligation of confidentiality to, the Disclosing Party;

(ii) Information that was generally available to the public at the time such information was disclosed;

(iii) Information that becomes available to the public after the disclosure of such information to the Receiving Party, other than as a result of disclosure by the Receiving Party in violation of this Agreement; and

(iv) Information that was independently developed or acquired by the Receiving Party.

7. Programs to Serve the Public Interest. The Programs provided by MPR will contain a full-service news and information public radio format for broadcast on KAUR,

including the broadcast of Upper Midwest and national news and information. Licensee is familiar with the Programs and has determined that their broadcast on the Station would serve the public interest. MPR shall cooperate with Licensee to ensure that the Programs include material that is responsive to community problems, needs and interests.

8. CPB Support; Other Contributions; Other Revenue; Licensee Overhead

8.1 CPB Support.

(a) As of the Effective Date of this Agreement, KAUR does not meet the qualification standards of the Corporation for Public Broadcasting ("CPB") to receive Community Service Grant and National Program Production and Acquisition Grant support, but may be eligible to receive such other grants and grant programs as CPB may make available to public radio stations from time to time. If, during the Term, KAUR becomes qualified to receive these grants or receives other support from CPB, Licensee will provide to MPR all payments from CPB related to KAUR. Licensee will cooperate with MPR in making such applications and such reports to CPB as may be required under CPB's procedures; MPR will assist Licensee by creating such applications and reports. Licensee and MPR will cooperate and will expend such efforts as may be reasonable to apply to CPB to cause MPR to be the qualified entity vis-à-vis CPB for such grant programs or to receive such grants directly on behalf of Licensee. MPR and Licensee will each conduct themselves in such manner that KAUR remains qualified for CPB support, so long as such conduct remains practical and reasonable.

(b) In the event that KAUR is not qualified to receive grants from CPB, MPR intends, consistent with CPB's rules and regulations, to report the activities conducted on KAUR and to claim revenues received as a result of its relationship with KAUR as activities and revenues related to the operation of one of its CPB-qualified stations, in such manner that CPB will match these revenues or otherwise make grants to MPR. Revenues received by MPR from CPB may be used by MPR for any public media purpose.

8.2 Other Charitable Contributions. From time to time during the Term, Licensee may receive charitable contributions from third parties intended to support the production and broadcast of the Programs on KAUR. Licensee will provide to MPR all such charitable contributions.

8.3 Other Revenue. Licensee will enter into additional agreements or leases related to KAUR, the lease of excess capacity on the KAUR 89.1 FM channel (digital or SCA capacity), or to the rental of excess capacity or other property whose principal use is for KAUR, only upon the request of MPR and subject to Licensee's consent pursuant to Section 2 of this Agreement. If any such additional agreement or lease is entered into, Licensee shall, in each instance, in the alternative and at its sole discretion, (a) grant to MPR the right to enter into such agreement or lease, (b) assign such agreement or lease to MPR, or (c) provide to MPR all revenues received or accrued to be received during the Term from such agreement or lease. No such additional agreement or lease shall extend beyond the Term unless agreed to by Licensee in writing.

8.4 No Overhead. Licensee shall not deduct or charge overhead or other fees or costs from any underwriting, grants or other revenue provided by Licensee to MPR pursuant to this Agreement.

9. Call Letters; Frequency; Identification of Licensee; Improvement of Transmission Facilities.

9.1 During the Term, Licensee shall retain its rights to KAUR's call letters (KAUR FM) and trade names, shall not change KAUR's call letters, and shall not seek FCC consent to a modification of facilities that would specify a frequency change or have a material adverse effect upon the presently authorized coverage of KAUR.

9.2 MPR shall include KAUR's call letters (KAUR FM) in announcements that identify KAUR, in a form reasonably satisfactory to Licensee and in accordance with FCC Requirements, as well as in any other announcements required by FCC Requirements.

9.3 Forty-two times each week, on a "run of station basis", MPR shall include in the Programs a fifteen-second public service announcement ("**Public Service Announcement**") that includes such language concerning Licensee that Licensee may desire, consistent with the FCC Requirements relating to underwriting announcements.

(a) The language of the Public Service Announcements, and the start and end date of their broadcast, will be provided by Licensee no later than ten (10) business days prior to the start date.

(i) The Public Service Announcements may include language informing the listener that KAUR is a public service of Augustana College. For example, "KAUR is a public service of Augustana College."

(ii) At least one Public Service Announcement each day will include language referring to the relationship between Licensee and MPR. For example, "KAUR is a public service of Augustana College, in cooperation with Minnesota Public Radio."

(iii) The public service announcements may not:

- (1) Describe or advocate fundraising or development activities of the Licensee.
- (2) Describe or advocate political or public funding initiatives, proposals, or ideas.
- (3) In MPR's reasonable judgment, cause legal, operational, or ethical issues.

(b) MPR will broadcast each Public Service Announcement as submitted by Licensee unless, no later than five business days prior to the start date, MPR notifies Licensee that the content of the proposed Public Service Announcement is in violation of

Section 9.3 (a) above. MPR will have no approval right of the content of the public service announcement except as provided in Section 9.3 (a).

(c) If Licensee proposes a Public Service Announcement that is not consistent with Section 9.3 (a), then (i) MPR shall raise its concerns with Licensee no later than five business days prior to the start date of the broadcast and (ii) if the parties cannot agree on the language of such public service announcement within ten business days thereafter, then the public service announcement to be used shall be one of the public service announcements to which MPR has no objection.

9.4 The parties will work together to determine whether and how to improve the transmission facilities of KAUR, and how to share the cost of such improvements. If such improvements are undertaken, they shall be performed under the ultimate control and supervision of Licensee and will be and will remain property of Licensee.

10. Events of Default and Termination; Effect of Termination.

10.1 MPR's Events of Default. The occurrence and continuation of any of the following will be deemed an Event of Default by MPR under this Agreement:

(a) MPR fails to perform any of its covenants or agreements contained in this Agreement in any material respect for a period of sixty or more days after its receipt of notice of such failure from Licensee; or

(b) MPR breaches any representation or warranty made by it under this Agreement in any material respect; or

(c) MPR abandons this Agreement.

10.2 Licensee's Events of Default. The occurrence and continuation of any of the following will be deemed an Event of Default by Licensee under this Agreement:

(a) Licensee fails to perform any of its covenants or agreements contained in this Agreement in any material respect for a period of sixty or more days after its receipt of notice of such failure from MPR; or

(b) Licensee breaches any representation or warranty made by it under this Agreement in any material respect.

10.3 Automatic Termination. Notwithstanding anything to the contrary herein, this Agreement shall immediately and automatically terminate, without the necessity of notice from Licensee to MPR, in the event that (a) MPR ceases to function as a going concern, or (b) MPR becomes subject to (i) the insolvency, receivership, liquidation, bankruptcy or equivalent laws of any jurisdiction or (ii) a trustee or receiver is appointed to take possession of substantially all of the assets of MPR.

10.4 Termination for Uncured Event of Default. If an Event of Default by one party has not been cured or deemed cured within the periods set forth in Section 10.5 below, then

the other party may (a) terminate this Agreement, effective immediately upon written notice to defaulting party, and (b) pursue all remedies available at law or in equity for breach of this Agreement.

10.5 Cure Period. A defaulting party shall have the following periods, from the date on which it receives from the other party written notice specifying the Event of Default, to cure any such Event of Default: (a) ten days in the event of a failure to make any payment provided for herein or any Event of Default which, if not promptly cured, could reasonably jeopardize KAUR's broadcast license or (b) sixty days for any other Event of Default. If any Event of Default described in clause (b) of the preceding sentence cannot be cured by the defaulting party within such time period, but commercially reasonable efforts are being made to effect a cure or otherwise secure or protect the interests of the non-defaulting party, then the defaulting party shall have an additional period not to exceed thirty days to effect a cure or a deemed cure.

10.6 Termination by Licensee.

(a) If Licensee is required to terminate this Agreement pursuant to a final and non-appealable FCC order, and this Agreement cannot be revised to comply with applicable FCC Requirements as contemplated by Section 20 hereof, Licensee may, upon at least sixty days' written notice to MPR (or such shorter period as may be required by the FCC), terminate this Agreement.

(b) Subject to the cure period provided in Section 10.5 above, Licensee may terminate this Agreement if, in the sole discretion of Licensee, reasonably exercised, KAUR is being operated by MPR in a manner contrary to this Agreement, FCC Requirements, or in a manner that may cause a loss of the FCC license of Licensee.

10.7 Actions Pending Termination. In the event either party elects not to renew this Agreement or to terminate this Agreement pursuant to any provision hereof, each party shall, during the period between the date of such election and the effective date of termination of this Agreement, continue to perform all of its obligations hereunder in the ordinary course pursuant to the provisions hereof.

10.8 Actions Upon Termination. Upon expiration or termination hereof, in addition to the other duties of MPR and of Licensee provided herein, MPR shall ensure that KAUR equipment returned to Licensee meets the requirements in Sections 5.5 (c) of this Agreement and will promptly provide to Licensee:

(a) payment of all amounts due and owing to Licensee hereunder and any other agreement between MPR and Licensee through the effective date of such expiration or termination; and

(b) a release of all intellectual property licensed to MPR by Licensee hereunder.

11. Right of First Refusal; Termination Payment.

11.1 Right of First Refusal. During the Term, Licensee will not sell or otherwise transfer KAUR (whether all or substantially all of the Station Assets or any transaction involving a transfer of control requiring FCC approval) without first giving MPR (i) prior written notice thereof together with a copy of a bona fide third party offer (the "Third Party Offer") to complete such transaction containing all material terms and (ii) a period of thirty days from such notice to elect, by written notice to Licensee, to acquire KAUR on substantially the terms set forth in such offer. If MPR exercises such right, the parties shall enter into a definitive agreement containing such terms and other consistent terms within thirty days thereafter. If MPR does not exercise such right, then Licensee may sell or transfer KAUR on the terms of the Third Party Offer, subject to MPR's rights under this Agreement.

11.2 Termination Payment. Upon any termination of this Agreement by Licensee, other than upon termination of this Agreement automatically pursuant to Section 10.3, for an uncured Event of Default by MPR pursuant to Section 10.4, or for any of the reasons provided for in Section 10.6, Licensee shall pay to MPR an amount equal to MPR's expenses related to maintenance, repair or replacement of the transmission system or Main Studio equipment used by KAUR, reduced according to a reasonable amortization schedule for such expenditures..

12. Representations and Warranties.

12.1 Licensee represents and warrants as follows: (a) Licensee is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization (South Dakota); (b) Licensee has the requisite power and authority to execute, deliver and perform this Agreement; (c) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action of Licensee; (d) the execution, delivery and performance of this Agreement by Licensee does not conflict with any other agreement to which Licensee is a party; and (e) Licensee holds all licenses, permits and authorizations (the "**Licenses**") issued under federal (including FCC Requirements), state or local law to carry on the operation of the business of KAUR as presently conducted.

12.2 MPR represents and warrants as follows: (a) MPR is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization (Minnesota) and is fully qualified to do business in the State South Dakota; (b) MPR has the requisite power and authority to execute, deliver and perform this Agreement; (c) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action of MPR; (d) the execution, delivery and performance of this Agreement by MPR do not conflict with any other agreement to which MPR is a party.

12.3 Each of Licensee and MPR represents and warrants that to such party's respective knowledge, as of the date of execution of this Agreement, (a) the Licenses are valid and in full force and effect and have been complied with in all material respects; (b) no investigation, notice of investigation, violation, order, complaint, action or other proceeding is pending or threatened before the FCC or any other governmental authority to vacate, revoke, refuse to renew or modify the Licenses; (c) no event has occurred that permits, or after notice or lapse of time would permit, the revocation or termination of the Licenses or the imposition of

any restriction thereon of such a nature as may materially limit the business or operations of KAUR as now conducted; and (d) such party has no reason to believe that the Licenses will not be renewed.

13. Modification and Waiver; Remedies Cumulative. No modification or waiver of any provision of this Agreement will be effective unless in writing and signed by all parties. No failure or delay on the part of MPR or Licensee in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor will any single or partial exercise of any such right or power or the exercise of any other right or power operate as a waiver. Except as otherwise provided in this Agreement, the rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies that a party may otherwise have.

14. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and permitted assigns. Notwithstanding the foregoing, and except as otherwise set forth herein, no party may assign its rights or obligations under this Agreement without the prior written consent of the other party; provided, however, that either party may, without the prior written consent of the other, assign and delegate its rights and obligations under this Agreement to any party that controls, or is controlled by, or is under common control with, such assigning/delegating party.

15. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of South Dakota without regard to any conflicts-of-law rules that might apply the laws of another jurisdiction or jurisdictions.

16. Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly made and received when personally served, or when delivered by facsimile or email transmission or by Federal Express or a similar overnight courier service, expenses prepaid, addressed as set forth below:

If to MPR: Minnesota Public Radio
 Attn: President
 480 Cedar Street
 Saint Paul Minnesota 55101
 Email: legal@mpr.org
 Fax: 651 290 1243

If to Licensee: Augustana College
 Attn: President
 2001 South Summit Avenue
 Sioux Falls South Dakota 57197
 Email: Rob.Oliver@Augie.edu
 Fax: 605 274 4450

Each party shall provide the other party notice of any change of address in the manner required by this Section 16 promptly after the occurrence of any such change.

17. Entire Agreement. This Agreement embodies the entire understanding between the parties with respect to the subject matter hereof, and supersedes any prior or contemporaneous written or oral agreements between the parties regarding such subject matter.

18. Relationship of Parties. Licensee and MPR are not, and shall not be deemed to be, agents, partners, or representatives of each other. MPR is not authorized to hold itself out in any way as representing Licensee, nor is MPR authorized to enter into any contract for or on behalf of Licensee except with the prior written consent of Licensee. Neither party shall obligate the other. Neither party shall be responsible for the debts of the other.

19. Force Majeure. The failure of a party hereto to comply with its obligations under this Agreement due to acts of God, strikes or threats thereof or force majeure or due to causes beyond such party's control will not constitute an Event of Default under Section 10 of this Agreement and no party will be liable to the other therefore.

20. Subject to Laws; Severability. In the event that the FCC determines that this Agreement does not comply with the FCC Requirements, the parties shall negotiate in good faith and attempt to agree to an amendment to this Agreement that will provide the parties with a valid and enforceable agreement that conforms to the FCC Requirements. In the event that any of the provisions of this Agreement shall be held unenforceable, then the remaining provisions shall be construed as if such unenforceable provisions were not contained herein. Any provision of this Agreement that is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction, so long as the fundamental nature of the business arrangement between the parties as evidenced by this Agreement is maintained and conforms to the FCC Requirements. To the extent permitted by applicable law, the parties hereto hereby waive any provision of law now or hereafter in effect that renders any provision hereof unenforceable in any respect.

21. Reciprocal Indemnity; Insurance Carried by MPR.

21.1 Indemnification by MPR. MPR shall indemnify, defend, and hold harmless Licensee from and against any and all claims, losses, costs, liabilities, damages and expenses (including reasonable attorneys' fees and other expenses incidental thereto) of every kind, nature, and description, including but not limited to those relating to copyright infringement, libel, slander, defamation, indecency or invasion of privacy, arising out of: (a) the broadcast of the Programs on KAUR; (b) any misrepresentation or breach of any warranty of MPR in this Agreement; (c) any failure by MPR to comply with its covenants or agreements set forth in this Agreement; or (d) MPR's employment of its employees and agents, including without limitation all claims by any of such employees and agents of MPR relating to compensation, benefits or any other employment matter.

21.2 Indemnification by Licensee. Licensee shall indemnify, defend, and hold harmless MPR from and against any and all claims, losses, costs, liabilities, damages and expenses (including reasonable attorneys' fees and other expenses incidental thereto) of every

kind, nature, and description, including but not limited to those relating to copyright infringement, libel, slander, defamation or invasion of privacy, arising out of: (a) the broadcast of any programming on KAUR provided by Licensee; (b) any misrepresentation or breach of any warranty of Licensee in this Agreement; (c) any failure by Licensee to comply with its covenants or agreements set forth in this Agreement; or (d) Licensee's employment of its employees and agents, including without limitation all claims by any of such employees and agents of Licensee relating to compensation, benefits or any other employment matter.

21.3 MPR's Insurance Coverage. MPR will maintain in full force and effect during the term of this Agreement and any extensions or renewals thereof, the following types of insurance in a minimum of the amounts set forth (which shall be adjusted for inflation throughout the term of this Agreement). Licensee will be named as an additional named insured on such policies.

Broadcast Libel Insurance	\$2 million
General Liability	\$2 million
Workers Compensation	As required by Law

22. Rebroadcast Rights.

22.1 In order to extend KAUR's signal, Licensee hereby authorizes MPR to rebroadcast KAUR's signal on any translator stations licensed to MPR, provided KAUR's signal is always identified as that of KAUR FM.

22.2 MPR may rebroadcast programming appearing on KAUR over other FCC-licensed public broadcasting facilities and may stream such programming on the internet and provide such programming for retrieval on the internet and other media now known or hereafter developed.

23. Headings. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

24. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were upon the same instrument.

25. Disputes. In the event of any controversy, claim or dispute (any "**Dispute**") between the parties arising out of this Agreement, the parties shall attempt to resolve the Dispute in good faith, taking into account the reasonable interests and views of each party. If the parties' respective representatives are unable to resolve the Dispute, such Disputes shall be determined by the State District Court with jurisdiction in Minnehaha County, State of South Dakota.

26. Specific Performance. This Agreement provides rights, benefits and obligations that are unique and damages would not be an adequate remedy for either party upon a breach by the other party. Accordingly, in the event of any actual or threatened material breach by one party of any of such party's representations, warranties or covenants under this Agreement, at the other party's (eg, the non-breaching party's) election, in addition to any other remedy available to it, such other party shall be entitled to an injunction restraining any such actual or threatened

breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring the party breaching, or threatening to breach, this Agreement to fulfill its obligations hereunder, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

27. Survival. All representations, warranties, covenants and agreements made by any party in this Agreement or pursuant hereto shall survive execution and delivery of this Agreement.

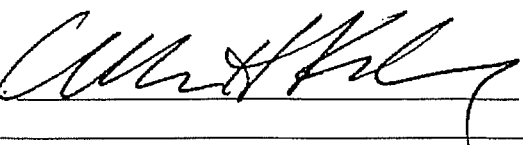
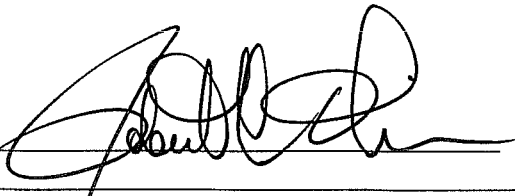
SIGNATURE PAGE TO FOLLOW

PUBLIC SERVICE OPERATING AGREEMENT

For the Operation of KAUR FM, Sioux Falls, South Dakota

Signature Page

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

Minnesota Public Radio:	Augustana College Association
MPR	Licensee
By: 	By: 
William H Kling	Robert Oliver
President	President

APPENDIX A
REIMBURSEMENTS

(See Section 5.6 of this Agreement)

A.1 During the Term, MPR shall reimburse Licensee, on a monthly basis, in arrears, not later than the tenth day following receipt of a written invoice supported by appropriate documentation, a sum sufficient to cover Licensee's actual Direct KAUR Expenses for the prior month.

A.2 The term "**Direct KAUR Expenses**" means the actual out-of-pocket expenses incurred by Licensee in operating KAUR in compliance with the terms of this Agreement and consistent with past practice.

A.3 The compensation costs of Licensee employees (pursuant to Sections 3.3 (a) and 3.3 (b)) and the overhead incurred by Licensee are not included in reimbursable Direct KAUR Expenses.

A.4 Following is a list of Direct KAUR Expenses, provided by way of example but not by way of limitation:

A.4.1 MPR will pay directly or will reimburse Licensee for all expenses related to the:

Maintenance, repair and replacement of the Station's transmission system

Maintenance, repair and replacement of Main Studio equipment used by MPR

Electricity costs for transmitter and Main Studio (which shall be reimbursable but not paid directly by MPR).

Fees for FCC licenses, if any (which shall be reimbursable but not paid directly by MPR)

Legal Fees for Licensee's FCC Counsel (which shall be reimbursable but not paid directly by MPR).

Fees for performing rights obtained from third parties (eg ASCAP, BMI, SESAC), if required to be entered into and paid by Licensee (which shall be reimbursable but not paid directly by MPR)

Fees for program rights obtained from third parties for programs to be included in the Programs (eg, National Public Radio, Public Radio International, etc).

Any other contracts directly and exclusively related to the operation of KAUR.

A.4.2. For as long as MPR continues to use Licensee's space for any part of KAUR's operations, MPR shall:

Pay actual costs for such things as duplicating, postage, and telephone services (including maintenance, repair, replacement, moves, adds, and changes to KAUR-specific telephone services), etc.

Comply with all fire codes, safety codes, and Licensee's standards of safety at all times

Make any alterations or modifications to KAUR space only after written authorization by Licensee, which shall not be unreasonably withheld or delayed.

APPENDIX B

DEFINITION OF MAIN STUDIO AND ADDITIONAL STUDIOS AND OFFICES

(See Section 5.5 of this Agreement)

It is the intention and understanding of the parties that the following principles will be maintained during the term of the Agreement:

B.1 The Main Studio (as defined by the FCC Requirements) for KAUR will remain at Augustana College.

B.2 The Main Studio for KAUR may be shared with the Main Studio that MPR maintains for its radio station KRSD FM in space that MPR rents from Licensee on the campus of Augustana College, pursuant to another agreement.

APPENDIX C

PROGRAM RIGHTS AND OTHER LICENSES

(See Section 6 of this Agreement)

C.1. Licensee retains the rights to but, solely for the purposes and subject to the limitations of this Agreement, licenses to MPR the following intellectual property, only to the extent Licensee has the authority to do so:

The call letters "KAUR" and any derivation thereof.

The name "Augustana College", but only to the extent that the use of the term "Augustana College" on air, in any promotion, or in any other literature, including in fundraising documents, has been approved in writing by Licensee. Uses expressly provided for in this Agreement do not need additional approval.

C.2. Licensee acknowledges that MPR may develop Programs as a part of its program service that are broadcast on KAUR but in which Licensee has no interest.