PUBLIC SERVICE OPERATING AGREEMENT

This agreement ("*Agreement*") is entered into as of October 17, 2019, by and between Peconic Public Broadcasting, a New York, non-profit corporation (*"Licensee"*), and WNET, a New York educational corporation, chartered by the Board of Regents of the State University of New York (*"Manager"*).

RECITALS

Licensee is the owner, operator, and licensee of noncommercial educational radio broadcast station WPPB(FM), 91.9 MHz, (FCC Facility ID No. 38340 (the *"Station"*).

Manager is the owner, operator and licensee of noncommercial educational television stations WNET(TV), Newark, NJ, and WLIW, Garden City, NY.

Licensee and Manager are parties to an Asset Purchase Agreement (*"Purchase Agreement"*) dated October 18, 2019 relating to manager's purchase of the Station from Licensee.

Licensee and Manager desire that Manager undertake the day-to-day operation of the Station for and on behalf of the Licensee to the extent permitted by law, in order to strengthen Station as an educational resource for the people of eastern Long Island.

In consideration of the foregoing and of the mutual promises that follow, the parties agree as follows:

1. OPERATION OF THE STATION.

1.1. Manager's Services. Manager hereby agrees to operate the Station under the supervision and control of Licensee. The services provided herein shall encompass all aspects of the operation of the Station to the extent permitted by law, including the production, acquisition, scheduling, and broadcast of programming, and the administration of all other Station activities through the provision of financial, accounting, engineering, marketing and other required services.

1.2. Licensee Oversight and Control. Notwithstanding anything in this Agreement to the contrary, Licensee shall retain and exercise oversight and control over the Station. Without limiting the foregoing, Licensee shall have the obligation to promulgate basic Station policies regarding personnel, finances and programming and to communicate such policies to Manager, and shall have the right (a) to oversee adherence by Manager's employees to the Station policies established by Licensee; (b) to inspect the Station's facilities at any time during operation; and (c) to consult with Station personnel, review operating and maintenance records and procedures and Station financial and accounting records, and investigate operational complaints.

1.3. Standards of Operation. Manager agrees that it will operate the Station consistent with industry standards in public broadcasting, in order that the Station will provide service to the public and comply with all legal requirements. Manager shall cause the Station to continue to meet the standards for qualification for Federal funding which have been or may be promulgated by the Corporation for Public Broadcasting (the "*CPB*").

1.4. Licensee Responsibility for Compliance with Law. Licensee and Manager acknowledge and agree that the operation of the Station is in compliance with all applicable laws, rules and regulations of the Federal Communications Commission (the *"FCC"*), the CPB and any other entity with jurisdiction over Licensee is the ultimate responsibility of Licensee. Nothing in this Agreement shall be construed as limiting, transferring, assigning or relieving the Licensee of such responsibility, which shall include (but is not limited to) all activities in connection with FCC license renewals, FCC applications for facility changes, such other actions, filings and reports as may be required by the FCC, and such actions, filings and reports as may be required by NPR and the CPB. Manager agrees to assist and advise Licensee in all such activities and to prepare, under Licensee's supervision, all necessary documents, filings and reports for Licensee in a timely manner, *provided, however*, that Licensee shall timely notify Manager in writing of all obligations with whose fulfillment Manager should assist (such as EEO requirements), and *provided, further*, that Manager's costs for all legal services and advice relating to the fulfillment of such requirements shall be charged to Station's account.

1.5. Contracts; No Partnership or Joint Venture. Manager is authorized to hold itself out as the operator of the Station and to enter into contracts in its own name relating to Station operations. Notwithstanding Manager's authority to operate the Station, no partnership, joint venture or other relationship is created between the parties that would subject Manager to joint or several liability for Licensee's debts or other obligations after the Effective Date (as defined in Section 8.1).

2. PRELIMINARY MATTERS.

2.1. Programming Agreements. Licensee shall provide to Manager a list of all programming agreements currently in existence between Licensee and other parties. Prior to the Commencement Date, Manager shall provide to Licensee a list (the *"Cancellation List"*) of such agreements that Manager desires Licensee to cancel prior to the Commencement Date (as defined in Section 8.1). Upon receipt of the Cancellation List, Licensee shall give notice to the proper parties of termination of all programming arrangements set forth on the Cancellation List, such that all programming arrangements set forth on the Cancellation List will have been terminated prior to the Commencement Date; *provided*, *however*, that Licensee shall not be required to terminate prior to the Commencement Date any programming agreements if such termination would subject Licensee to liability. For any programming arrangement that is legally unable by its terms to be terminated prior to the Commencement Date without subjecting Licensee to liability, Licensee shall terminate such programming arrangement effective as of the first date termination is legally permissible without subjecting Licensee to liability.

3. FINANCIAL MATTERS.

3.1. Manager's Responsibilities. The parties shall make reasonable efforts to agree on an initial budget prior to the Commencement Date (as defined in Section 8.1).

3.2. Licensee's Responsibilities. Licensee shall retain its own bank account, maintain its National Public Radio ("*NPR*") membership and keep its NPR dues current, and, subject to Sections 1.5 and 4.2.2, remain responsible for its own contractual obligations to programmers, utility companies, and other third parties, all subject to reimbursement as set forth herein. Subject to reimbursement and the reimbursement limit set forth below, Licensee shall also pay the salaries and employee benefits of its employees. Notwithstanding anything to the contrary elsewhere in this Agreement, Manager shall be responsible to reimburse Licensee (i) Licensee expenses in an amount not exceeding Forty Eight Thousand Three Hundred Fifty Dollars ($48,350) per month, and (ii) the salary and employee benefits for any Licensee employee(s) in an amount not exceeding Thirty Thousand Dollars ($30,000) per calendar month.

3.3. Station Income. The parties will share responsibility for generating Station income, as follows:

3.3.1. Current Funds and Receivables. Licensee shall turn over to Manager for Station's operating account, effective as of the Effective Date (as defined in Section 8.1), the full amount, without deduction for overhead or any other fees or costs, of all funds and accounts receivable designated for the support of the Station, including but not limited to:

(a) all NPR, CPB and other grant monies held by Licensee (subject to the prior consent of the grantor);

(b) all funds designated for the support of programs that Manager intends to, or, pursuant to Section 2.2, is obligated to, continue (less any outstanding obligations related to such programs which Licensee intends to fulfill in due course); and

(c) all underwriting receivables of the Station existing on the Effective Date.

3.3.2. Grants. Throughout the Term of this Agreement (as defined in Section 8.2), Licensee and Manager shall cooperate in applying for any and all usual and available government and private foundation grants, corporate underwriting, and private donor contributions for the use and benefit of the Station, including, but not limited to any grants previously applied for or received in the name of the Licensee and intended for the use and benefit of the Station. Licensee will assign all such revenues to Manager within five (5) business days (subject to the prior consent of the grantor).

3.3.3. Fundraising. Manager may solicit government and private foundation grants, corporate underwriting, and private donor contributions for the Station, both during broadcast time on the Station and otherwise. To the extent permitted by law, Manager may simultaneously utilize Station's and WLIW's airtime to solicit support for both Station and WLIW, subject to mutually agreeable implementation arrangements. Manager shall conduct all fundraising so as to comply with the rules and policies of the FCC applicable to noncommercial educational broadcast stations, including Section 73.503 of the FCC rules, and with IRS requirements for documentation of charitable contributions. All amounts contributed in response to on-air solicitations or fundraising drives on the Station shall be accounted for by Manager and reported to Licensee. Licensee will retain ultimate control of these funds, but as a contractual matter, commits to using them in the first instance to pay Manager (or to allow Manager to retain the funds) for use solely to fund the production and acquisition of programming for the Station. For the avoidance of doubt, Licensee appoints Manager to receive such amounts from on-air solicitations or fundraising drives, as fiscal agent for Licensee, solely to raise support for the Station, in accordance with prevailing public broadcasting industry standards and FCC requirements, and Licensee directs Manager to use such amounts solely to produce and acquire the programming for the Station, it being understood by the parties that one of the primary purposes of this Agreement is the continued provision of programming that serves the needs and interests of the people of eastern Long Island.

3.4. Station Expenditures. Manager's expenses in operating Station, including overhead, are to be recoverable by Manager from Station's operating income.

3.5. Reinvestment of Net Revenues. After deduction of Manager's overhead and other expenses in operating Station, Manager shall reinvest any net revenues from Station operations for Station's account, to be utilized for Station's capital expenditures or operating reserves.

4. STATION PROGRAMMING.

4.1. Broadcast of Programming. Subject to Licensee's obligation to determine programming policy for the Station and Manager's obligation to adhere to such policy, Licensee shall make the Station's transmission capabilities and broadcast time available to Manager for the broadcast of programs of Manager's choice for one hundred sixty-eight (168) hours per week. Manager shall endeavor to operate the Station twenty-four hours (24) per day, seven (7) days per week, and to focus Station's programming on education, entertainment and community service. Licensee will not acquire any rights in programming produced or acquired by Manager for broadcast over the facilities of the Station, and may not authorize the use of such programming in any manner or in any media whatsoever without Manager's written consent.

4.1.1. Licensee Airtime. Notwithstanding Section 4.1, and subject to Section 4.3.2 below, Licensee may reserve up to one (1) hour per week for issue-responsive programming of Licensee's choice produced at Licensee's sole expense ("*Licensee Programming*"). All Licensee Programming must be fully cleared by Licensee for broadcast over Station's facilities without any additional payment by Manager.

4.1.3. Digital Capacity. Licensee grants Manager and its successors unlimited use of any available HD channel capacity associated with the Station and of any websites owned by Licensee and used in connection with the operations of the Station for the purposes of providing programming (the "*Digital Programming*"). In order to ensure the economic viability of the Digital Programming, Manager shall have the right to solicit contributions from viewers or other users of the Digital Programming, and obtain underwriting.

4.2. Obligations and Rights of Manager.

4.2.1. Compliance with Laws and Station Policies; Insurance. Manager shall use its best efforts to assure that all Station programming shall conform in all material respects with the Communications Act of 1934, as amended, and all applicable rules, regulations and policies of the FCC, including but not limited to all matters enumerated in Section 4.3.3 hereof, and all other laws or regulations applicable to the broadcast of programming by noncommercial educational licensees, including copyright laws. Manager shall maintain, as a cost of operating Station, general liability and errors and omissions insurance covering broadcasts made on the Station.

4.2.2. Programming Contracts.

(a) Manager may enter into new agreements with third parties for programming to be broadcast by Station ("*New Contracts*"). Manager shall inform Licensee of the terms of each New Contract.

(b) Manager shall have the right to request from time to time (i) that Licensee enter into agreements with third parties to make blocks of airtime on Station available to such third parties, or (ii) that Licensee approve agreements between Manager and third parties for such purposes. Licensee shall give good faith consideration to any such proposal presented by Manager to Licensee, and shall not unreasonably withhold its consent.

4.2.3. Cooperation with Licensee. Manager shall furnish, within the Station programming, all underwriting, general support, Station identification, and other announcements required by the FCC's rules; shall, upon request by Licensee, provide information with respect to any of the programming which is responsive to the public needs and interests of the area served by the Station to assist Licensee in the preparation of its required issues/programs reports; shall promptly advise Licensee of any public or FCC complaint, inquiry or commentary regarding Station programming, and shall cooperate with Licensee and take all actions as may be reasonably requested by Licensee in responding to any such complaint, inquiry, or commentary; shall maintain and deliver to Licensee all records and information required by the FCC to be uploaded to the public inspection file of the Station; and shall provide upon request information to enable Licensee to prepare other records, reports and logs required by the FCC, NPR, the CPB, or other local, state or federal governmental agencies.

4.2.4. Payola and Plugola. Manager shall at all times endeavor to comply in good faith with the requirements of Sections 317 and 507 of the Communications Act of 1934, as amended, and the related rules and regulations of the FCC, including by providing to Licensee in advance any information known to Manager regarding any money or other consideration which 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 by Manager for broadcast on the Station, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements.

4.3. Obligations and Rights of Licensee.

4.3.1. Licensee's Absolute Right to Reject. Licensee shall retain the absolute right to accept or reject any programming (including any on-air underwriting or other funding acknowledgment) which Licensee in its sole discretion, exercised in good faith, deems unsuitable, contrary to the public interest, violative of FCC requirements or of any right of any third party, or indecent or obscene. Licensee shall further have the right to take any other actions necessary for compliance with the laws of the United States and the rules, regulations and policies of the FCC (including the prohibition on unauthorized transfers of control), and the rules, regulations and policies of any other governmental authorities. If, in the judgment of Licensee, any portion of the programming presented by Manager does not meet any of the above standards or the requirements of Section 4.2.1 of this Agreement, Licensee may suspend, cancel or refuse to broadcast any such portion of the programming.

4.3.2. Licensee's Right to Preempt. Licensee shall have the right, in its sole discretion, to preempt any programming in order to broadcast a program deemed by Licensee to be of greater national, regional, or local interest or to be more responsive to local problems and needs, or to broadcast events of special importance or warnings or other information in the event of a local, state, or national emergency. In all such cases, Licensee will give Manager reasonable advance notice of its intention to preempt any regularly-scheduled programming, to the extent feasible. Licensee expressly agrees that its right of preemption shall not be exercised in an arbitrary manner. If Licensee shall preempt any scheduled programming (including Licensee Programming) in order to broadcast material Licensee deems to be of greater local interest or more responsive to local problems and needs, then Licensee's one (1) hour allotment for Licensee Programming for the week in which such preemption occurs shall be reduced by the duration of such substituted programming (*"Substituted Programming"*).

4.3.3. FCC Requirements. Notwithstanding anything to the contrary in this Agreement, Licensee will be ultimately responsible for complying with all applicable provisions of the Communications Act and the FCC's written policies, rules and regulations, including without limitation those governing (a) the furnishing of a non-profit and noncommercial broadcast service; (b) the ascertainment of issues of community concern, and the selection and broadcast of responsive public service programming; (c) the preparation of quarterly issues/programs lists; (d) the maintenance of political and public inspection files and Station logs; (e) the carriage of political programming (including final authority to determine which legally qualified candidates shall have access to the Station); and (f) the broadcast of contests, lotteries, and hoaxes.

4.3.4 Call Sign Change. At the request of Manager, Licensee shall file the requisite application to change the call sign of the Station to a call sign selected by Manager.

5. STUDIO, OFFICE AND TRANSMISSION FACILITIES.

5.1. Licensee's Studio Facilities. So long as Licensee shall maintain Station's offices and studios at 71 Hill Street, Southampton, New York, where such offices and studios are located as of the date of execution of this Agreement (the *"WPPB Facilities"*), Licensee shall provide Manager with access to such offices and studios twenty-four (24) hours per day, seven (7) days per week, and shall permit Manager to install at these premises any microwave, telephone, transmitter remote control, monitoring or other equipment useful or necessary for the proper production, scheduling, and transmission of Station programming consistent with this Agreement. Licensee and Manager shall cooperate in the filing of any application to the FCC necessitated by such equipment installation. Licensee shall be responsible for all costs associated with Licensee's occupancy and use of the WPPB Facilities (including the costs of reasonable and customary maintenance, which Licensee shall perform, and of liability insurance, which Licensee shall maintain).

5.2. Station's Transmission Facilities. Licensee shall be responsible for ensuring compliance by the Station during the Term of this Agreement with the technical operating and reporting requirements established by the FCC, and for providing for the delivery of electrical power to the Station's transmitting facilities at all times in order to ensure continuous operation of the Station. Licensee shall maintain customary insurance on Station's facilities. After receiving Licensee's advance approval, which shall not be unreasonably withheld or delayed, Manager shall regularly schedule and perform reasonable and customary maintenance of the Station's transmission equipment and facilities, including the antenna, transmitter and transmission line, and shall undertake such repairs as are necessary to maintain full-time operation of the Station with maximum authorized facilities as expeditiously as possible following the occurrence of any loss or damage. Manager shall charge its costs for such maintenance and repairs directly to Station, and shall be reimbursed for the same by Licensee.

6. EMPLOYMENT MATTERS.

6.1. Licensee's Responsibility for Employees. Licensee shall employ sufficient personnel to comply with its obligations under this Agreement. Licensee will be responsible for the salaries, employee benefits, taxes, insurance and related costs for its Station personnel subject to reimbursement.

6.2. Manager's Responsibility for Employees. Manager shall employ sufficient personnel to fulfill its obligations under this Agreement, and shall be reimbursed from Station funds for such employees' salaries, employee benefits, taxes, insurance and related costs, including occupancy costs.

7. INTERNET; INTELLECTUAL PROPERTY.

7.1. Call Letters and Trademarks. Licensee shall retain its rights to the Station's call letters and trade names, and shall not change the Station's call letters unless requested to do so by Manager, but shall cooperate in effectuating any such request by Manager. Licensee hereby grants Manager a non-exclusive license to use Licensee's call letters and trademarks and names (the *"Marks"*) during Station broadcast airtime, on Station's Website, on related Internet sites and on Manager's Internet site, and in printed materials for the purpose of promoting Station until such time as the call sign of the Station is changed in accordance with Section 4.3.4. Manager agrees that the nature and quality of all services rendered by it in connection with the Marks shall conform to reasonable quality standards set by and under the control of Licensee. If Licensee becomes aware of any fact which in its opinion indicates that Manager's use of the Marks does not conform with Licensee's reasonable quality standards, Licensee may notify Manager in writing of such facts and require that Manager conform its use of the Marks to Licensee's reasonable quality standards. Manager agrees to notify Licensee in writing of any legal action commenced against it which relates to the Marks or to the quality of the Programming, within ten days of notice to Manager of such action.

7.2 Station Website. During the Term, Licensee and Manager agree to operate Station's Website at www.peconicpublicbroadcasting.org and any other websites used prior to the Commencement Date related to the Station.

8. EFFECTIVE DATE; TERM; TERMINATION.

8.1. Effective Date; Commencement Date. This Agreement shall become effective immediately upon its execution by both parties hereto (the *"Effective Date"*). Manager's operation of the Station, including programming its airtime, shall commence on November 1, 2019 at 12:00 p.m., unless agreed otherwise in writing by Licensee and Manager (the *"Commencement Date"*).

8.2. Term. The term of this Agreement (the *"Term"*) shall begin on the Effective Date and continue until terminated pursuant to Section 8.3 hereof.

8.3. Termination. This Agreement may be terminated by either party on ninety (90) days' written notice (a) if it is declared invalid in a final court or agency order; (b) if it violates FCC law as a result of a final material change therein, and the parties have failed to amend this Agreement to comply with such change following good faith negotiations to do so; (c) if an Event of Default (as defined in Section 9.1) has occurred, and the party seeking to terminate is not in material default or breach of this Agreement, or (d) in the event that the Purchase Agreement is terminated in accordance with the terms thereof. This Agreement shall immediately terminate, without notice from either party to the other party hereto, upon the consummation of the assignment of license of the Station to Manager in accordance with the Purchase Agreement. The parties also may terminate this Agreement at any time, for any or no reason, upon the mutual written consent of both parties.

8.4. Certain Matters Upon Termination.

8.4.1. Contracts; Licensee Property. If this Agreement is terminated after the Commencement Date pursuant to Section 8.3 (a), (b), (c) or (d) above:

(a) Manager shall assign, transfer and convey to Licensee all of Manager's rights and obligations under the Assumed Contracts that remain in effect on the date of such termination and under any new contracts that Manager has entered into with respect to the Station (collectively the "*Reassumed Contracts*"). Manager shall use reasonable efforts promptly to obtain and deliver to Licensee, at Manager's expense, any necessary consents to the assignment of any such Reassumed Contracts to Licensee.

(b) Manager shall bear all transition costs required to wind down and terminate the arrangements contemplated by this Agreement.

8.4.2. Continuing Obligations. No expiration or termination of this Agreement shall terminate the obligation of each party to indemnify the other for claims of third parties under Section 10 of this Agreement or eliminate other obligations under this Agreement arising prior to (or by reason of) the termination of this Agreement.

9. EVENTS OF DEFAULT AND CURE PERIODS.

9.1. Events of Default. The following shall, after the expiration of the applicable cure periods as set forth in Section 9.3, each constitute an Event of Default under this Agreement:

9.1.1. Default in Covenants or Adverse Legal Action. Either party's (a) default in the performance of any material covenant, condition or undertaking contained in this Agreement (unless the other party's act or omission, including a failure to provide information or cooperation, is the cause of such default), (b) making a general assignment for the benefit of creditors, or (c) filing or having filed against it a petition for bankruptcy, for reorganization, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such party under any federal or state insolvency law, which, if filed against such party, has not been dismissed or discharged within sixty days thereafter; and

9.1.2. Breach of Representation. Either party's making any material representation or warranty in this Agreement, or in any document furnished by either party to the other pursuant to the provisions of this Agreement, that proves to have been false or misleading in any material respect as of the time made or furnished.

9.1.3 Non-Payment by Licensee. Licensee's failure to timely reimburse or pay for any Manager expense payable by Licensee pursuant to any term of this Agreement.

9.1.4 Non-Payment by Manager. Manager's failure to timely reimburse or pay for any Licensee expense payable by Manager pursuant to any term of this Agreement.

9.2. Force Majeure. The parties acknowledge and agree that a party will not be liable for any failure to timely perform any of its obligations under this Agreement if such failure is due, in whole or in part, directly or indirectly, to accidents, fires, floods, governmental actions, war, civil disturbances, strikes or threats of strikes, other causes beyond such party's control, or any other occurrence which would generally be considered an event of force majeure.

9.3. Cure Periods. An Event of Default shall not be deemed to have occurred until thirty (30) days after the non-defaulting party has provided the defaulting party with written notice specifying the event or events that, if not cured, would constitute an Event of Default and specifying the actions necessary to cure the default(s) within such period. This period may be extended for a reasonable period of time if the defaulting party is acting in good faith to cure.

9.4. Specific Performance. Each of Licensee and Manager acknowledges and agrees that this Agreement provides rights, benefits and obligations that are unique, and that damages would not be an adequate remedy for Manager upon a breach by Licensee. Accordingly, in the event of a breach or threatened material breach by Licensee of any representation, warranty or covenant under this Agreement, at Manager's election, in addition to any other remedy available to it, Manager shall be entitled to an injunction restraining any such breach or threatened breach and to enforcement of this Agreement by a decree of specific performance requiring Licensee to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

10. INDEMNIFICATION.

10.1. Indemnification by Licensee. Licensee hereby agrees to indemnify, defend and hold Manager and its officers, trustees, faculty, students and employees harmless against, and reimburse Manager for, any and all losses (direct or indirect), liabilities, damages, costs or expenses, including reasonable legal fees, resulting from or incurred in response to claims with respect to:

(a) any untrue representation, breach of warranty, or nonfulfillment of any covenant or obligation by Licensee contained herein;

(b) any and all obligations of Licensee not assumed by Manager pursuant to the terms of this Agreement;

(c) Licensee's operation or ownership of the Station prior to the Commencement Date;

(d) any libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, infringement of copyrights and proprietary rights, and other liabilities resulting from or relating to the broadcast of any Licensee Programming or Substituted Programming; or

(e) the failure by Licensee, its employees or agents, to comply with the Communications Act of 1934, as amended, or the rules, regulations and policies of the FCC, or any other laws or regulations, including the copyright laws, applicable to the operation of noncommercial educational radio stations or to the broadcast of programming by noncommercial educational station licensees, on or after the Commencement Date.

10.2. Indemnification by Manager. Manager hereby agrees to indemnify and hold Licensee and its officers, trustees, faculty, students and employees harmless against, and reimburse Licensee for, any and all losses (direct or indirect), liabilities, damages, costs or expenses, including reasonable legal fees, resulting from or incurred in response to claims with respect to:

(a) any untrue representation, breach of warranty, or nonfulfillment of any covenant or obligation by Manager contained herein;

(b) Manager action or inaction on or after the Commencement Date relating to the performance of Manager's obligations hereunder;

(c) any libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, infringement of copyrights and proprietary rights, and other liabilities resulting from or relating to the broadcast, on or after the Commencement Date, of Station programming other than Licensee Programming or Substituted Programming;

(d) the failure by Manager, its employees or agents, to comply with the Communications Act of 1934, as amended, or the rules, regulations and policies of the FCC, or any other laws or regulations, including the copyright laws, applicable to the operation of noncommercial educational radio stations or to the broadcast of programming by noncommercial educational station licensees, on or after the Commencement Date.

10.3. Procedure for Indemnification; Survival. The party seeking indemnification shall give the indemnifying party prompt notice of any claim and shall cooperate in good faith with the indemnifying party in attempts to defend, resolve and settle any such claims. The indemnifying party, at its option, may assume the defense of any such claim or litigation and, in such event, its obligations with respect thereto shall be limited to the payment of any settlement it approves or any judgment in connection with any such claim or litigation. The indemnified party, at its own expense, may participate in any such proceeding, *provided that* control of the defense shall rest with the indemnifying party. Any settlement which requires action on the part of the indemnified party, or any admission of civil or criminal liability, may not be entered into without the consent of the indemnified party. Manager's and Licensee's obligations under this Section 10 shall survive any termination of this Agreement.

11. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

11.1. Representations, Warranties and Covenants of Licensee. Licensee hereby represents, warrants and covenants that:

11.1.1. Organization and Standing. Licensee is a non-profit corporation duly formed, validly existing, and in good standing under the laws of the State of New York, and has all necessary authority to own and operate the Station.

11.1.2. FCC Licenses. Licensee validly holds all FCC licenses necessary for Licensee to operate Station in the manner in which Manager has been advised Station operates, and such licenses (the "*FCC Licenses*") are in full force and effect and are not subject to any conditions out of the ordinary course. There is no proceeding, complaint or investigation involving Licensee, the FCC Licenses, or the Station pending or threatened before the FCC or any other governmental authority (except for proceedings involving the radio industry generally). Except for applications to assign the FCC Licenses to Manager, there are no applications with respect to Station or Licensee now pending before the FCC. During the Term, Licensee shall not seek FCC consent to a modification of facilities that would have a material adverse effect upon the Station's authorized coverage, or materially impair or reduce Station's authorized facilities, without Manager's prior written consent.

11.1.3. Authorization and Binding Obligation. Licensee has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and Licensee's execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Licensee and constitutes its valid and binding obligation enforceable against Licensee in accordance with its terms.

11.1.4. Absence of Conflicting Agreements or Required Consents. The execution, delivery and performance of this Agreement by Licensee: (a) do not and will not violate any provisions of Licensee's organizational documents; (b) do not and will not require the consent or approval of, or any filing with, any third party or governmental authority; (c) do not and will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Licensee is a party or by which it or the assets of the Station are bound; and (d) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination or acceleration of or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement, lease, instrument, license or permit to which Licensee is now subject.

11.1.5. CPB Qualification. Station meets the standards for qualification for Federal funding promulgated by the CPB. During the Term, Licensee shall cooperate with Manager to assure that Station continues to meet such current or future CPB standards.

11.1.6. Interim Operation. Between the Effective Date and the Commencement Date, Licensee shall operate Station consistent with its past practices, and shall not dispose of any material Station Asset, impair Station's finances, modify or extend existing programming or other agreements or enter into new agreements of any kind except with Manager's prior written approval, or take any action inconsistent with its obligations under this Agreement.

11.2. Representations, Warranties and Covenants of Manager. Manager hereby represents, warrants and covenants that:

11.2.1. Organization and Standing. Manager is an educational corporation duly formed, validly existing and in good standing under the laws of the State of New York.

11.2.2. Authorization and Binding Obligation. Manager has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and Manager's execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Manager and constitutes its valid and binding obligation enforceable against Manager in accordance with its terms, *provided that* Licensee has also executed this Agreement.

11.2.3. Absence of Conflicting Agreements or Required Consents. The execution, delivery and performance of this Agreement by Manager: (a) do not and will not violate any provision of Manager's organizational documents; (b) do not and will not require the consent or approval of, or any filing with, any third party or governmental authority; (c) do not and will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Manager is a party; and (d) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination or acceleration of or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement, lease, instrument, license or permit to which Manager is now subject.

11.3. Joint Covenant on Litigation. Licensee and Manager will cooperate, at their joint expense, in prosecuting any necessary or appropriate claims against third parties and complaints to governmental authorities for interference with the Station's signal, and in defending against any claims, complaints or challenges by third parties or governmental authorities against the Station's license, this Agreement, or the activities of Licensee and Manager pursuant to this Agreement. If portions of this Agreement are disapproved by the FCC's staff, or the FCC's staff requests modifications to the Agreement that are adverse to Licensee or Manager, then the parties shall endeavor in good faith to reform the Agreement as necessary to satisfy the FCC staff's concerns, while preserving the respective benefits to and without increasing the respective obligations of the parties, or seek reversal of the staff decision and approval from the full Commission on appeal.

11.4. Joint Covenant on Publicity. No public announcement of this Agreement or its contents shall be made unless approved in advance in writing by both parties, including but not limited to any public announcement or disclosure required by law.

12. MISCELLANEOUS.

12.1. Waiver and Amendments. No waiver of any provision of this Agreement shall be effective unless made in writing and signed by both parties, and any such waiver shall be effective only in the specific instance and for the purpose for which such waiver was given. This Agreement shall not be amended or modified unless such amendment or modification is in writing and executed on behalf of Licensee and Manager.

12.2. No Waiver; Remedies Cumulative. No failure or delay on the part of Licensee or Manager in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties to this Agreement are cumulative and are not exclusive of any right or remedies which either may otherwise have.

12.3. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of New York without regard to its principles of conflict of law. The exclusive forum for the resolution of any disputes arising hereunder shall be the federal and state courts located in New York City.

12.4. Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither Manager nor Licensee may assign its rights under this Agreement without the prior written consent of the other, *provided, however,* that Manager may, with the prior written consent of Licensee (which consent shall not be unreasonably withheld), assign and delegate its rights and obligations under this Agreement to any qualified party that controls, is controlled by, or is under common control with Manager, or with whom Manager merges.

12.5. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

12.6. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Licensee and Manager agree to accept digital and electronic signatures, including but not limited to a .pdf of a manually signed document, as legally valid signatures pursuant to Pennsylvania's enactment of the Uniform Electronic Transactions Act.

12.7. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be deemed to have been received on the date of personal delivery, or on the day of delivery by a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Manager:

WNET
825 8th Avenue
New York, New York 10019-7435
Attention: Neil Shapiro
Telephone: (212) 560-2000
Facsimile: (212) 560-2001

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

WNET
825 8th Avenue
New York, New York 10019-7435
Attention: Robert Feinberg
Telephone: (212) 560-6981
Facsimile: (212) 560-2001

and:

Sally A. Buckman, Esq.
Lerman Senter PLLC
2001 L Street, N.W.
Suite 400
Washington, DC 20036
Telephone: (202) 416-6762
Facsimile: (202) 293-7783

if to Licensee:

Peconic Public Broadcasting
P.O. Box 1410
Southampton, NY 11969
Attention: Wallace Smith
Telephone: 631-591-7001
Facsimile: 631-591-7080

12.8. Severability. Subject to Section 11.3, 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.

12.9. Entire Agreement. This Agreement is the final and entire agreement between the parties on the subject matter hereof. There are no other agreements, representations, warranties, or understandings, oral or written, between the parties with respect to the subject matter hereof.

12.10 Survival. The terms in Sections 4.3.3 and 8.4.2 of this Agreement shall survive its termination or expiration for any reason.

[The remainder of this page intentionally left blank.]

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

ACW

MANAGER:

WNET

By: C Croen

Name: Caroline Croen
Title: VP, CFO & Treasurer

LICENSEE:

PECONIC PUBLIC BROADCASTING

By: ______________________

Name:
Title:

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

MANAGER:

WNET

By: ______________________________
Name:
Title:

LICENSEE:

PECONIC PUBLIC BROADCASTING

By: Wallace A. Smith
Name: WALLACE A. SMITH
Title: PRESIDENT/GENERAL MANAGER