

Fact Sheet
SOU/JPR and JPR Foundation Settlement Agreement

August 27, 2012

Overview

- The settlement approach agreed to by the parties will let SOU's Jefferson Public Radio (JPR) "continue to thrive" and support Southern Oregon University's (SOU) educational mission; and for the JPR Foundation, as an associate foundation of SOU/JPR, to continue its support of the radio enterprise. The JPR Foundation (Foundation) will also continue "strengthening rural communities through operation of theaters and other businesses and programs."
- JPR Foundation's primary purpose will be to raise funds and support JPR in line with its strategic goals. The Foundation will establish an affiliate, currently to be named Jefferson Live!, to own and operate cultural related institutions, such as the Cascade and Holly Theaters.
- SOU will continue to own and operate JPR, and the Foundation will continue to support JPR in its fundraising capacity for the radio enterprise.
- This settlement is a mutually agreed on starting point for structure of ownership and responsibilities. The implementation will occur in stages – some immediately, some in the next 6-10 months, and some over the next two years.

Operations Related:

- Ownership of the Holly Theater, the Cascade Theater and the Medford properties will be under a new company, Jefferson Live! LLC, which will be owned by the Foundation as an affiliate. The Foundation will also continue to manage JEFFNET.
- The Foundation will have the option to purchase the Cascade Theater in Redding from SOU for the remaining debt service on the property plus costs related to the transfer of the asset.
- All Federal Communications Commission (FCC) licenses and radio site licenses currently held by the Foundation will be transferred to SOU/JPR. SOU currently holds 80% of the FCC licenses; this agreement consolidates them in a single entity. This will ensure that all radio stations remain in compliance with the FCC regulations.
- SOU/JPR will provide staff support to the Foundation. SOU/JPR will not perform any executive management or policy-making role within the Foundation or Jefferson Live! LLC.
- Jefferson Live! LLC may have its own board of directors, board of managers or advisory board to advise it and report to the Foundation board, which will provide oversight of the LLC. Jefferson Live! will have an executive director who is an officer of Jefferson Live! and will run its daily affairs.
- The Foundation will provide to SOU a business plan for any significant activity (e.g., major sale of assets, borrowing of money, pledging of collateral, merger, real property actions) prior to any

board action. And Jefferson Live! would be responsible for providing a similar business plan to the Foundation.

- SOU and the Foundation will complete a new contract to exchange services and support between the two organizations. One provision will be that no SOU employee will serve as an officer, director, manager or in any policy-making or management role for the Foundation or its affiliates. The Foundation will also reimburse SOU for any accounting services provided to the Foundation or its affiliates by SOU employees.

Legal areas:

- The Foundation and SOU will move forward to address transfer and licensing related to FCC licenses. Either party must consult with the other if any FCC licenses are to be sold or transferred. If any FCC licenses are sold by either party, the proceeds will be dedicated to support JPR.
- Both parties release the other (including past and present officers, directors, and employees) of all claims relating in any way to JPR. This does not constitute a release of claims against Ronald Kramer unless he releases SOU and the Foundation on these same broad terms.
- Mr. Kramer may serve as a volunteer consultant or independent contractor consultant to the Foundation or its affiliates, but not in any other capacity (e.g., officer, director, employee).

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