

SESAC, INC. HOTEL, MOTEL & RESORT PERFORMANCE LICENSE

Agreement made in New York by and between SESAC LLC ("SESAC"), a Delaware limited liability company with offices at 55 Music Square East, Nashville, TN 37203 and

_____ ("LICENSEE")
(Name of corporation, partnership, sole proprietorship, etc.)

(Address) _____

(City, State, ZIP _

A Corporation/ Partnership/ Sole Proprietorship (check one) State of Incorporation (if applicable)

Telephone: _____ Fax: _____ E-mail: _____

Web Site URL: _____

SESAC and LICENSEE mutually agree as follows:

1. GRANT OF RIGHTS

SESAC grants to LICENSEE effective as of _____ ("Effective Date") a non-exclusive right and license to publicly perform non-dramatic renditions of the musical compositions, the performance rights to which SESAC controls and/or is empowered to license ("Compositions"), solely on and in connection with the operation of the following hotel, motel, or resort:

Name:

Address:

City, State ZIP: (the "Premises").

The right and license is subject to the limitations set forth in Paragraph 2 herein below.

2. LIMITATIONS OF RIGHTS

The right and license granted pursuant to Paragraph 1 above shall specifically exclude:

- A. the right to perform, broadcast, televise or otherwise transmit the Compositions to any location other than the Premises (unless and to the extent otherwise expressly permitted in Schedule "A");
- B. the right to grant the right and license to any third party;
- C. "Grand Rights" in and to the Compositions ("Grand Rights" include, but are not limited to, the right to perform in whole or in part, dramatico-musical and dramatic works in a dramatic setting);
- D. performances of the Compositions (i) which are part of a background music service originating from any location including the Premises, for which SESAC performance license fees are otherwise paid, regardless of the means by which such performances are transmitted on or to the Premises and/or (ii) by coin-operated phonorecord players ("jukeboxes"), as defined in 17 U.S.C. § 116.

3. LICENSE FEE

A. In consideration of the grant of rights herein, LICENSEE shall pay to SESAC an annual License Fee in accordance with SESAC's Fee Schedule of Annual Performance License Fees for Hotels, Motels, and Resorts ("Fee Schedule") then in effect, the current version of which is set forth in Schedule "A" attached hereto and incorporated herein by this reference.

B. Upon the execution of this Agreement, LICENSEE shall complete and return the License Fee Report, the current version of which is attached as Schedule "B," to SESAC along with the License Fee as determined thereunder. The initial License Fee payment shall be a pro-rated amount calculated using the then current License Fee rate(s) from the Effective Date through the end of the current billing period, as selected below. Subsequent payments shall be made in accordance with one of the following billing periods (select one - if no box is selected, LICENSEE shall be billed annually):

_____ (i) annually in one payment, on or before the first day of January, for the billing period of January 1 through December 31 of each calendar year of the Term; or

_____ (ii) semiannually in two (2) equal installments on or before January 1, for the billing period of January 1 through June 30; and on or before July 1, for the billing period of July 1 through December 31 of each calendar year of the Term.

C. On or before October 1 of each calendar year during the Term, in the event that a change in the factors relating to the Premises as set forth in the Fee Schedule results in a change in fee, LICENSEE shall submit an updated License Fee Report to SESAC and the License Fee for the next calendar year shall be adjusted accordingly. SESAC retains the right to obtain these figures through independent sources and make appropriate adjustments to the License Fee upon notice to LICENSEE.

D. Notwithstanding anything to the contrary contained in the Agreement, upon sending of written notice to LICENSEE by certified mail, SESAC shall have the right to adjust the rates set forth in the Fee Schedule. In the event that LICENSEE's License Fee increases as a result of such adjustment to the Fee Schedule, LICENSEE shall have the right to terminate the Agreement as of the date such increase is to take effect, provided that LICENSEE gives SESAC written notice of such termination by certified mail, not later than thirty (30) days after SESAC sends written notice of such increase to LICENSEE by certified mail. This paragraph shall not apply to rate increases made pursuant to Paragraph 3.G of this Agreement.

E. LICENSEE represents and warrants that the information provided to SESAC on the License Fee Report is true and correct and that any additional information or changes to the current information shall be true and correct.

F. In the event that SESAC is determined by the taxing authority or courts of any state in which LICENSEE conducts its operations to be liable for the payment of a gross receipts, sales, use, business use or other tax which is based on the amount of SESAC's receipts from LICENSEE, then LICENSEE shall reimburse SESAC, within thirty (30) days of demand therefor, for LICENSEE's pro rata share of any such tax derived from receipts received from LICENSEE.

G. Effective January 1 of each calendar year the rates set forth in the Fee Schedule may be increased by an amount equivalent to five percent (5%) or the percentage increase in the Consumer Price Index – All Urban Consumer (CPI-U) as published by the Bureau of Labor Statistics, U.S. Department of Labor, between the most recent October and the preceding October, whichever amount is greater.

4. BREACH AND CURE; LATE PAYMENT CHARGE

A. In the event LICENSEE fails to pay the License Fee when due or is otherwise in breach or default of any other provision of this Agreement, SESAC shall have the right to terminate this Agreement in addition to pursuing any and all other rights and/or remedies available if LICENSEE has not cured such breach or default within thirty (30) days following SESAC's written notice of such breach or default.

B. SESAC shall have the right to impose a late payment charge of one and one-half percent (1.5%) per month for any License Fee payment that is more than thirty (30) days past due. SESAC shall have the right to impose an additional charge of \$35.00 for each dishonored check or other form of payment. In the event that SESAC incurs any costs or fees in connection with the collection of any amounts past due to SESAC hereunder, including but not limited to reasonable attorney's fees, then LICENSEE shall be responsible for paying such amounts to SESAC.

5. RIGHT OF VERIFICATION

Upon ten (10) days prior written notice, SESAC shall have the right to examine, during customary business hours, LICENSEE's books and records to such extent as may be necessary to verify any and all payments, statements, computations and reports rendered and accountings made or required hereunder. All data and information brought to SESAC's attention as a result of any examination shall be treated as confidential. Should such an examination reveal that LICENSEE has underpaid SESAC any License Fee by five percent (5%) or more, LICENSEE shall pay the additional license fees due within thirty (30) days upon notice from SESAC of the additional fees due.

6. TERM OF LICENSE

A. The term of this Agreement shall be for an initial period that commences upon the Effective Date and continues for a period of one (1) year (the "Initial Period"). Thereafter, the Agreement shall automatically continue in full force and effect for successive additional periods of one (1) year ("Renewal Period(s)"). SESAC and/or LICENSEE shall have the right to terminate this Agreement as of the last day of the Initial Period or as of the last day of any Renewal Period(s) upon giving written notice to the other party by certified mail, at least thirty (30) days prior to the commencement of the ensuing Renewal Period(s). The Initial Period and Renewal Period(s) are sometimes collectively referred to herein as the "Term."

B. Notwithstanding anything to the contrary contained herein, SESAC may cancel and terminate this Agreement: (i) at any time upon written notice in the event LICENSEE is adjudicated bankrupt, or a petition in bankruptcy is filed with respect to LICENSEE, or LICENSEE is declared or becomes insolvent; or (ii) upon thirty (30) days written notice by reason of any law, rule, decree, or other enactment having the force of law, by any authority, whether federal, state, local, territorial or otherwise, which shall result in substantial interference in SESAC's operation or any substantial increase in the cost of conducting its business.

7. CONTRACT CONSTRUCTION

A. This Agreement has been read and is understood by both parties and contains their entire understanding. No waiver, addition or modification shall be valid unless in writing, executed with the same formality as this instrument. No waiver of any breach of this Agreement shall be deemed a waiver of any subsequent breach of like or similar nature. There are no representations, promises or covenants other than contained herein.

B. This Agreement shall be governed by and subject to the laws of the State of New York, applicable to Agreements made and to be wholly performed in New York. The fact that any provision of this Agreement may be found to be void or unenforceable by a court of competent jurisdiction shall in no way affect the validity or enforceability of any other provision.

C. SESAC shall have the right to withdraw from the scope of this Agreement, upon written notice, the right to perform any musical composition licensed hereunder as to which any action has been threatened, instituted, or a claim made that SESAC does not have the right to license the performance rights in such composition.

D. This Agreement shall be binding upon and inure to the benefit of the parties' legal representatives, successors, and assigns, but no assignment shall relieve the parties of their obligations under this Agreement. LICENSEE shall notify SESAC in writing within thirty (30) days of any change of ownership or control of the Premises.

E. This agreement shall not be valid until accepted and executed in the name of SESAC by its authorized signatory.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly signed as of _____, (Please insert today's date)

LICENSEE

SESAC LLC

BY: _____
(please sign here)

BY: _____

(Type or print name)

TITLE: _____

TITLE: _____

Schedule "A" – 2009

SESAC Fee Schedule of Annual Performance License Fees for Hotels, Motels, and Resorts

1. **Reference** is made to the SESAC LLC Hotel, Motel & Resort Performance License with:

Licensee: _____

Premises: _____

Address: _____

City, State, Zip: _____

(the "Agreement") to which this Schedule "A" is attached.

2. 2009 FEE SCHEDULE OF ANNUAL PERFORMANCE LICENSE FEES FOR HOTELS, MOTELS, AND RESORTS:

A. The Annual License Fee for the Premises shall be the greater of (i) the amount determined by multiplying the number of rooms on the Premises by its Average Daily Rate and then multiplying the resulting number by the appropriate Music Multiplier ("Base License Fee") or (ii) One Hundred Fifty-Eight Dollars (\$158.00) ("Minimum License Fee"), provided that in no event shall the Base License Fee exceed Five Thousand Sixty-One Dollars (\$5,061) ("Maximum License Fee"). In the event that LICENSEE elects internet authorization in connection with the Premises, the Annual License Fee shall include the applicable Web Site License Fee, which shall be added to the Minimum License Fee, Maximum License Fee, or Base License Fee, as applicable. LICENSEE shall include the foregoing information on the License Fee Report, the current version of which is attached as Schedule "B" of the Agreement.

B. "**Average Daily Rate**" of the Premises shall be defined as its total room revenue divided by the number of rooms occupied during a twelve (12) month period. For purposes of the Annual License Fee, the Average Daily Rate shall be calculated based on the twelve (12) month period beginning thirteen (13) months before the Effective Date. In the event that the Premises have been operational for less than two (2) months preceding the Effective Date, the Average Daily Rate shall be calculated based on LICENSEE's good faith estimation of the Average Daily Rate for calendar year 2008 based on financial information currently available regarding the Premises. For purposes of any updated License Fee Report submitted on or before October 1 of a calendar year pursuant to Paragraph 3.C of the Agreement, the Average Daily Rate shall be calculated based on the twelve (12) month period beginning September 1 of the previous calendar year.

C. The "**Music Multipliers**" are as follows:

<u>Type of Music Performed</u>	<u>Multiplier</u>
Recorded Only	.022
Live Only	.028
Recorded and Live	.037

D. The "**Web Site License Fee**" is as follows:

Number of Rooms	Web Site License Fee
100 or under	\$54.00
101 – 200	\$76.00
201 – 300	\$109.00
301 – 400	\$153.00
401 – 500	\$208.00
Over 500	\$274.00

i. Payment of the Web Site License Fee authorizes (i) transmissions on or through a web site with the principal Universal Resource Locator ("URL") set forth in the License Fee Report ("Licensed Web Site") whose primary purpose is to promote business at the Premises and from which LICENSEE does not receive revenue greater than six thousand dollars (\$6000.00) per calendar year from advertising, sponsorship, promotional, and/or other content available on the Licensed Web Site; (ii) transmissions through the Intranet of the Premises; and (iii) transmissions through any other interconnected computer network within the Premises. This authorization is only available to a LICENSEE for periods for which LICENSEE also pays License Fee(s) hereunder that are separate and additional to the "Web Site" License Fee. This authorization shall not extend to any site(s) where a subscription or other user fee is charged specifically to access specific programming or to access a selection of programming for a specified period of time. Specifically excluded from this authorization is the right to publicly perform the Compositions in connection with any product, service or feature that enables users to access all or substantially all of particular Movie(s), TV Program(s), and/or live, concert-type performance(s) not occurring on the Premises. This authorization shall not extend to transmissions made on or through a Web Site, Intranet or other interconnected computer network of the broadcasts or webcasts of the programs or services of any television station, television network, radio station, radio network, cable station, cable network, cable system, satellite program distributor, or any similar operation. The immediately foregoing authorization shall be governed by the following paragraph:

ii. In the event that SESAC is made aware that LICENSEE does not have other necessary rights and licenses required in connection with LICENSEE's use(s) of the Composition(s) and the sound recording(s) in which they are embodied from the owner(s) and/or authorized representative(s) of the owner(s) of such rights ("Third Party Rights") then (a) SESAC reserves the right to exclude such Composition(s) from this Agreement upon written notice to LICENSEE until such later time, if ever, during the Term that (i) LICENSEE has obtained such Third Party Rights, or (ii) LICENSEE has discontinued any such use(s) thereof that require such Third Party Rights, and (b) this Agreement shall remain in full force and effect with regard to all other Compositions in accordance with the terms and conditions set forth in this Agreement. If there is any dispute as to the matters set forth in (a)(i) and/or (a)(ii) of the preceding sentence, SESAC continues to reserve the right to exclude such Compositions(s) from this Agreement upon written notice to LICENSEE until SESAC receives notice which, in SESAC's sole judgment, is satisfactory evidence of a final resolution of such dispute.

3. If LICENSEE is a member in good standing of the American Hotel and Lodging Association, LICENSEE is eligible for five percent (5%) discount off of the otherwise payable License Fee.

4. **This Schedule** is incorporated and made part of the Agreement, and its terms shall apply as if restated fully therein. Unless otherwise indicated, all capitalized terms in this Schedule "A" shall have the same meaning as set forth in the Agreement.

**Please mail signed License and Schedules "A" and "B" to:
SESAC, P.O. Box 331069, Nashville, TN 37203-9920**

