

November 13, 2007

General Manager
Station
Address

Dear Local Television Broadcaster:

As you may know, representatives of SESAC, including the Chairman of the Board and the President, met again with several representatives of the Television Music License Committee on November 6 and 7, 2007, in the hopes of reaching an agreement with the TMLC regarding terms and conditions of a five year Local Television License effective January 1, 2008 and ending December 31, 2012.

On the afternoon of November 7, SESAC offered to provide an industry-wide blanket license, a per program option, performance rights for the internet, and multicast digital television rights as well as certain other non-traditional television industry public performances at a reasonable, all-inclusive industry-wide price of \$26.9 million that reflects SESAC's robust and on-going growth in television music. SESAC's offer also would have given either side the right to seek arbitration in the event that the parties were unable to agree on license terms for the period beginning January 1, 2013.

The TMLC made a counter offer of \$19.5 million which included all of the above grants but enlarged its authorization to broadcast on new technology platforms for 2008 and also capped future license fee increases at the lesser of 3% or the increase in the Consumer Price Index (CPI), regardless of the growth that might be realized in the internet environment or the digital television arena. The TMLC's counter offer was \$200,000 more than the 2007 blanket license fee awarded to SESAC by a panel of arbitrators solely for the industry-wide blanket license fee and the per program option.

The TMLC accompanied its counter offer with an ultimatum: SESAC could either accept the TMLC's counter offer or we would have to "part ways".

Faced with this unacceptable ultimatum, SESAC opted to "part ways" and proceed with the licensing process directly with you, our customers.

I can assure you that SESAC would have preferred to reach an agreement with the TMLC. Regrettably, the TMLC decided not only to reject SESAC's proposal, but to deliver its unacceptable ultimatum and declare the premature end to negotiations.

The parties' failure to reach a deal may have been driven, in part, by the TMLC's professed need to "balance negotiations with the other PROs," as was suggested to us at the end of our November 7 meeting. Whatever the TMLC's motivations, however, SESAC has an obligation not only to serve its broadcast customers by providing access to relevant license agreements but to also obtain royalties commensurate with the value of its composers' and publishers' music to local television operators.

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Consequently, as indicated in our letter to you of October 30, over the next several weeks SESAC will provide each local television station with a License Agreement which will allow you to continue to broadcast programming and commercial announcements containing SESAC represented copyrights beyond December 31, 2007. Each license will also include a Per Program option on your primary (now analog, in most instances) channel, Digital television broadcast authorization, and authorization for performances of copyrights represented by SESAC on your station's Internet site(s).

SESAC's blanket license fee will encourage the use of SESAC music. Under the TMLC's current allocation methodology, a station's SESAC license fee increased or decreased based on the amount of SESAC music used by the station. While this approach may appear reasonable, it failed to provide a station with a corresponding reduction in its ASCAP or BMI license fee to the extent the station's use of SESAC music reduced the use of ASCAP or BMI music. The TMLC's allocation methodology was discriminatory and in fact penalized a station when it chose to add SESAC music. This will no longer be the case under the new SESAC blanket license. There will be no increased allocation of blanket license fees based on any station's increased use of SESAC music, only predetermined annual percentage increases to the blanket license fee.

SESAC looks forward to moving together in harmony with our Local Television Broadcaster colleagues and dealing directly with stations as we had done successfully for over four decades.

Best Regards,

SESAC, Inc.

A handwritten signature in cursive script, appearing to read "P. Collins".

Pat Collins
President & C.O.O.